



State of New Jersey

School Employees' Health Benefits Program

Plan Year 2019 Rate Renewal Recommendation Report

September 2018

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Executive Summary

The purpose of this report is to recommend premium levels for the School Employees' Health Benefits Program (SEHBP) for January 1, 2019 through December 31, 2019.

Benefit Plans Maintained by the SEHBP

The State of New Jersey operates the SEHBP as a multiple-option program for participating Local Education Employees and all Local Education Retirees, with the following medical and prescription drug plan options for Plan Year 2019, which are summarized in Exhibit 5:

- Self-insured Preferred Provider Organization (PPO) plans – NJ DIRECT, administered by Horizon and the Freedom PPO, administered by Aetna. In Plan Year 2019, both Horizon and Aetna will offer six options under their respective PPO plans. These plans are available to Active Employees and Retirees (except for the 2035 option, which is only offered to Active Employees and the \$0 Copay Plan, which is offered only to Active Employees and Early Retirees).
- Self-insured Health Maintenance Organization (HMO) plans – Administered by Aetna and Horizon. There are four HMO options which are available to all Active Employees and Retirees (except for the HMO 2035 option, which is only offered to Active Employees).
- Self-insured High Deductible plans – Administered by Aetna and Horizon. Employees may select the \$1,500 High Deductible option and non-Medicare-eligible Retirees may select the \$4,000 High Deductible option.
- Insured Medicare Advantage Plans – All Aetna Medicare-eligible members are enrolled in a Medicare Advantage Plan.
- Self-insured Medicare Supplement Plans – Medicare-eligible members enrolled in Horizon's PPO or HMO plans are covered under Horizon's self-insured Medicare Supplement plans. Effective Plan Year 2019, Horizon PPO10 and PPO15 plans will be replaced with Medicare Advantage plans administered by Aetna.
- Active Employees may also be enrolled in a Prescription Drug Plan available under the SEHBP. Local Education Employers may select this plan, sign up for the MMRx prescription drug coverage under the medical plan, or purchase prescription drug coverage from an outside vendor. If an Employer selects SEHBP prescription drug coverage, the prescription drug benefit option is linked to the medical plan selection. All prescription drug benefits provided under the SEHBP are administered by Optum.

Recommended Renewal Increases

Aon is recommending an overall decrease of 1.1% for Active Employees, a 3.4% decrease for Early Retirees and a 32.6% decrease for Medicare Retirees. For all groups combined, the recommended decrease is 9.3%.

The recommended renewal changes for Plan Year 2019 by benefit plan are listed below. Renewal changes were calculated separately for the PPO (which includes the High Deductible plans), the HMO and the Prescription Drug Plans.

	Total	Single	EE + Spouse	Family	EE + Child(ren)
Actives					
PPO Medical	5.6%	5.6%	5.6%	5.6%	5.6%
HMO Medical	5.6%	5.6%	5.6%	5.6%	5.6%
PPO Rx	(24.9%)	(24.9%)	(24.9%)	(24.9%)	(24.9%)
HMO Rx	(24.9%)	(24.9%)	(24.9%)	(24.9%)	(24.9%)
Total	(1.1%)	(1.1%)	(1.1%)	(1.1%)	(1.1%)
Early Retirees					
PPO Medical	3.1%	3.1%	3.1%	3.1%	3.1%
HMO Medical	3.1%	3.1%	3.1%	3.1%	3.1%
PPO Rx	(27.9%)	(27.9%)	(27.9%)	(27.9%)	(27.9%)
HMO Rx	(27.9%)	(27.9%)	(27.9%)	(27.9%)	(27.9%)
Total	(3.4%)	(3.4%)	(3.4%)	(3.4%)	(3.4%)
Medicare Retirees					
PPO Medical	(56.8%)	(56.8%)	(56.8%)	(57.2%)	(57.5%)
HMO Medical	(43.5%)	(43.5%)	(43.5%)	(43.5%)	(43.5%)
PPO Rx	(12.1%)	(12.1%)	(12.1%)	(12.1%)	(12.1%)
HMO Rx	(12.1%)	(12.1%)	(12.1%)	(12.1%)	(12.1%)
Total	(32.6%)	(32.5%)	(32.5%)	(32.7%)	(32.8%)
Grand Total	(9.3%)	(9.3%)	(9.3%)	(9.3%)	(9.4%)

These premium changes for Plan Year 2019 are projected to produce no loss or gain for Local Education Actives and Retirees. The table below shows the expected changes in the projected Active Claim Stabilization Reserve. For Actives, the target Claim Stabilization Reserve is projected to be equivalent to 3.1 months of plan costs as of 12/31/2019. The Retiree target reserve level has been set to \$0, since the State is responsible for approximately 90% of Education Retiree plan cost. As a result, the Education Active and Retiree premiums do not include any margin.

SEHBP Active Employee Projected Claim Stabilization Reserve (in \$ millions)

	Active
12/31/2017	\$231
12/31/2018	\$343
12/31/2019	\$343
Months of Plan Cost as of 12/31/2019	3.1

Plan Year 2019 Overview

Benefit Design Changes

\$0 Copay Plan: Effective Plan Year 2019, Active Employees and Early Retirees will be offered a \$0 Copay plan. More information regarding this plan is included in the addendum at the end of the report.

Retiree Prescription Drug: The renewal projections assume the retiree prescription drug copays and out-of-pocket maximums will remain unchanged from Plan Year 2018.

Medicare Advantage: Effective Plan Year 2019, all Medicare-eligible members currently enrolled in the PPO10 or PPO15 plans through Horizon will now be enrolled in a Medicare Advantage plan in Plan Year 2019 administered by Aetna. The Medicare Advantage plans are insured, rather than the current self-insured Medicare supplement plans offered by Horizon in Plan Year 2018. All current Aetna Medicare-eligible members were already previously enrolled in Medicare Advantage plans. Medicare-eligible members currently enrolled in Horizon's PPO1525, PPO2030 or HMO plans will continue to be covered under Horizon's self-insured Medicare Supplement plans. The Medicare Advantage premiums are based on the results provided by Aetna in their RFP response.

NJWELL Program Expansion and Incentive Increase: Effective January 1, 2019, the NJWELL program will be offered to eligible SEHBP Medicare members with a gift card incentive of \$250 per subscriber. In addition to offering the program to eligible Medicare members, the NJWELL gift card incentive for eligible SEHBP Active and Early Retiree populations that enroll in the new NJ DIRECT 0 / Freedom 0 Plan outlined in Exhibit 7 will increase to a benefit of \$500 per subscriber. All eligible SEHBP Actives and Early Retirees enrolled in current plan designs will maintain the \$250 gift card incentive.

Copay Reimbursement: For Plan Year 2019, Medicare Retirees enrolled in a PPO plan with a flat dollar copay will have their primary care physician and specialist copays reimbursed up to \$250 per member. Costs associated with this reimbursement are not reflected in this report.

Employee/Retiree Contribution Changes

Actives: It is anticipated that the Chapter 78 contributions will motivate a small number of employees to migrate to the lower-cost benefit plans, and Plan Year 2019 enrollment projections assume that 0.5% of the enrollment in the Horizon NJ DIRECT10 plan will migrate to lower-cost plans from Plan Year 2018 to Plan Year 2019.

Retirees: Chapter 78 does not apply to existing Retirees as of 7/1/2011 or to Employees who had 20 or more years of service on 7/1/2011. For this reason, no changes to Retiree contributions are assumed for Plan Year 2019, which means that the majority of Retirees will continue to have no contributions towards the cost of their Retiree health benefits.

Federal Health Care Reform

In-Network Out-of-Pocket Maximum: Effective 1/1/2019, Federal Health Care Reform requires that in-network medical and prescription drug benefits have a combined out-of-pocket maximum no greater than \$7,900 single / \$15,800 family. This benefit change will not have a significant impact on projected costs. Aon did not include any specific additional administrative load for the Local Plans with private Rx coverage which may want to integrate the administration of their medical and prescription drug out-of-pocket limits. The chart below summarizes a history of these out-of-pocket maximums:

Plan Year	Out-of-Pocket Maximum (Single/Family)
2017	\$7,150 / \$14,300
2018	\$7,350 / \$14,700
2019	\$7,900 / \$15,800

Public Health Insurance Exchanges: The public health insurance exchanges that are mandated by Federal Health Care Reform, beginning in 2014, are assumed to have minimal impact on enrollment or cost levels within the SEHBP.

Full-Time Employee Definition: The Patient Protection and Affordable Care Act (Affordable Care Act) defines full-time employees as employees who work 30 or more hours per week. The employer mandate, which is applicable to full-time employees, was essentially first effective 1/1/2015. This requirement is not projected to have a cost impact on the SEHBP because in general, the State offers coverage to all full-time employees.

Minimum Value: Effective 1/1/2015, the Affordable Care Act requires employers to offer plans that have a minimum value of at least 60% (i.e., the plan's share of total allowed costs of benefits provided under the plan is at least 60% of such costs). All of the SEHBP plan options were tested and have a minimum value in excess of 60%. More details are included in the Minimum Value section of this report.

ACA 9010: Section 9010 of the ACA imposes a Health Insurer Fee (HIF) on each covered entity engaged in the business of providing health insurance for United States health risks. The HIF will help fund the federal subsidies given to lower-income families that may not have coverage. On January 22, 2018, Congress passed a spending bill which places a moratorium on this tax in Plan Year 2019. Aon's projections assume that the HIF will not be reinstated for Plan Year 2019.

New Jersey State Mandates

Female Contraceptive Mandate: Effective March 15, 2018, existing State legislation was amended to require all health insurance/medical providers to cover female contraceptive drugs and devices in the same way other prescription drugs are covered. This legislation is not expected to materially impact the SEHBP.

3-D Mammography/Breast Cancer Screening Mandate: Effective January 1, 2019, a State mandate will remove member cost-sharing for 3-D mammography screenings when the screening is routine for members ages 40 years or older. This mandate is estimated to increase non-Medicare medical claims by approximately 0.1% annually.

Vendor Changes

Medical Vendors: Aon assumes that Horizon and Aetna will be the only medical vendors in Plan Year 2019. No changes to the current self-insured contracts are assumed. The fully-insured Medicare Advantage plans were administered by Aetna and Horizon for Plan Year 2018 and will be administered by Aetna for Plan Year 2019.

Pharmacy Benefit Manager: Aon assumes that Optum will continue to administer the prescription drug benefits for Actives and Retirees in Plan Year 2019.

Eligibility Changes

Chapter 375 Coverage of Adult Children

New Jersey currently mandates the coverage of adult children under age 31 at a premium level that is equivalent to the child rate included in the standard premium tables, loaded 2% for additional expenses. The Adult child rate will be approximately 88% of the Single Employee rate. Adult dependent enrollment is 263 as of March 2018.

Part-Time Coverage

Part-time Employees may enroll in any of the SEHBP plans, and as of March 2018, 55 Local Education Part-time Employees participate. Aon recommends a rate load of 1% for Plan Year 2019, a decrease from the rate load of 4% used in Plan Year 2018. This is based on the most recent three-year average loss ratio for Part-time Employees.

Enrollment Changes

Exhibit 1A shows historical enrollment patterns from January 2016 through July 2018 and Aon's projection of enrollment from August 2018 through December 2019. This projection assumes that Local Education Active enrollment will decrease 20.0% in Plan Year 2018 and 10.0% in Plan Year 2019; Early Retiree enrollment is projected to decrease 4.0% in Plan Year 2018 and 3.0% in Plan Year 2019; and Medicare Retiree enrollment is projected to increase 2.0% in Plan Year 2018 and 3.0% in Plan Year 2019.

Exhibit 1B shows the projected distribution of enrollment among benefit options and assumes that 0.5% of enrollment in the Horizon NJ DIRECT10 plan will migrate to the lower-cost benefit options for Plan Year 2019.

Exhibit 1C shows enrollment by benefit option and coverage tier as of May 2018.

Active Demographic Changes

Based on March census data, the Active Employee average age decreased 1.5 years from Plan Year 2017 to Plan Year 2018. The average HMO Employee age decreased 1.3 years from Plan Year 2017 to Plan Year 2018, while the PPO Employee average age decreased 1.5 years. The average age of Employees enrolled in the new benefit options is approximately four years younger than the average age of Employees enrolled in the Legacy Plans.

Average Employee Age

	March 2017	March 2018	Change
Legacy PPO	46.7	45.2	(1.5)
Legacy HMO	49.8	48.5	(1.3)
Legacy Total	46.9	45.3	(1.5)
New Plans	42.8	41.4	(1.3)
Total	46.5	45.0	(1.6)

Trend Analysis

The recommended claim trend assumptions for Plan Years 2018 and 2019 are as follows:

	Plan Year 2018*		Plan Year 2019*	
	Medical	Prescription Drugs	Medical	Prescription Drugs
PPO Actives	8.50%	10.00%	8.00%	10.00%
PPO Early Retirees	6.50%	8.00%	6.00%	8.00%
Self-Insured Medicare Retirees	4.50%	8.00%	4.00%	8.00%
HMO Actives	6.00%	10.00%	6.00%	10.00%
HMO Early Retirees	6.00%	8.00%	6.00%	8.00%

*Does not include anti-selection trend adjustments outlined below.

The Medicare Retiree medical trend assumptions do not reflect the fully insured Medicare Advantage plans. The Plan Year 2019 Medicare Advantage premium rates are provided by Aetna.

Exhibits 2A and 2B presents historical SEHBP trend experience and Aon's recommended trend assumptions for Plan Year 2019 for medical and prescription drug, respectively. These experience trends are based on estimated incurred claim trends from July 1, 2016 to June 30, 2018. The claim costs in these exhibits have been normalized for estimated benefit and vendor changes.

Aon recommended trends are developed using vendor recommended trends, national Aon trend guidance (which reflects vendor surveys, Pharmacy Benefit Manager national surveys and other external sources) as well as actual SEHBP plan experience adjusted for expected future trends.

Medical Trends:

- **PPO Actives:** The recommended PPO medical trend for Actives has been reduced slightly to 8.50% in Plan Year 2018, as compared to the Plan Year 2018 PPO Active medical trend of 8.75% reflected in the Plan Year 2018 Renewal Report (does not include the anti-selection adjustment described below). The recommended Active PPO medical trend is 8.0% in Plan Year 2019.
- **PPO Early Retirees:** The recommended PPO medical trend for Early Retirees has been reduced to 6.5% in Plan Year 2018 and 6.0% in Plan Year 2019, as compared to the PPO Early Retiree medical trend of 8.0% for Plan Year 2018 reflected in the Plan Year 2018 Renewal Report.
- **Self-Insured Medicare Retirees (PPOs and HMOs):** The self-insured Medicare Retiree medical trend is recommended to be increased to 4.5% in Plan Year 2018 and 4.0% in Plan Year 2019, as compared to the Plan Year 2018 Medicare Retiree medical trend of 3.5% in the Plan Year 2018 Renewal Report.
- **HMO Actives:** The Plan Year 2018 medical trend for HMO Actives is recommended to be increased to 6.0%, as compared to 5.5% in the Plan Year 2018 Renewal Report (does not include the anti-selection adjustment described below). The HMO Active trend assumption is 6.0% in Plan Year 2019.
- **HMO Early Retirees:** The medical trend assumption for HMO Early Retirees is also recommended to be increased to 6.0% in Plan Years 2018 and 2019, as compared to the Plan Year 2018 trend assumption of 5.5% shown in the Plan Year 2018 Renewal Report.

Prescription Drug Trends: Aon recommended trends are based on historical experience trends, the Aon trend survey and input from the Pharmacy Benefit Manager.

The SEHBP has had recent prescription drug gains due to favorable experience; in addition, the national expectations have shown reduced prescription drug trends.

The Aon prescription drug trend recommendation for Actives has been reduced to 10.0% for Plan Year 2018 from 12.0% in the Plan Year 2018 Renewal Report. The Aon Plan Year 2019 prescription drug trend recommendation is 10.0% for Actives and 8.0% for Retirees.

Additional Trend Adjustments: Based on expected terminations of Local Education Active Employers from the SEHBP and the expectation of a 20% reduction in the Active enrollment, the Active medical and prescription drug trends have been increased by 150 basis points for Plan Years 2018 and 2019. The Plan Year 2018 Renewal Report reflected an adjustment of 50 basis points in Plan Year 2018. This adjustment is based on future expectations of the anti-selection risk (employers are terminating which will affect the SEHBP's overall loss ratio).

Medicare Advantage: The Medicare Advantage rates were provided by Aetna. These fully-insured premium rates reflect the moratorium of the Health Insurer Fee in Plan Year 2019. Below is a table summarizing the fully insured Medicare Advantage per member per month rates for Plan Years 2018 and 2019.

Local Education	Aetna		
	2018	2019	% Change
PPO 10	\$ 247.22	\$ 92.03	(62.8%)
PPO 15	\$ 242.33	\$ 71.48	(70.5%)
HMO 10	\$ 206.30	\$ 114.00	(44.7%)
HMO 1525	\$ 176.30	\$ 79.00	(55.2%)

Please note, the significant reduction in Medicare Advantage rates is due to the 2018 procurement of all Medicare Advantage plans.

Financial Projections

Aggregate Financial Projections

Using the assumptions detailed in this report's Renewal Rate Development section, below are the current estimated projected costs for Plan Years 2017, 2018 and 2019. Plan Year 2019 renewal premiums were developed to match projected costs in aggregate, so there is no projected gain or loss for Plan Year 2019.

Projected Financial Results (in \$ millions)

	PPO 10	PPO 15	Legacy HMOs	New Plans	Total
Plan Year 2017					
Premium Rates x Enrollment	\$2,136.5	\$395.3	\$153.9	\$52.7	\$2,738.4
Incurred Claims	\$2,012.5	\$368.5	\$132.2	\$40.3	\$2,553.5
Administrative Charges	\$51.3	\$8.0	\$4.4	\$1.2	\$64.9
Net Gain (Loss)	\$72.7	\$18.8	\$17.3	\$11.2	\$120.0
Plan Year 2018					
Premium Rates x Enrollment	\$2,006.9	\$441.5	\$116.1	\$42.8	\$2,607.3
Incurred Claims	\$1,843.0	\$389.7	\$98.6	\$28.9	\$2,360.2
Administrative Charges	\$50.9	\$8.7	\$2.7	\$1.0	\$63.3
Net Gain (Loss)	\$113.0	\$43.1	\$14.8	\$12.9	\$183.8
Plan Year 2019					
Premium Rates x Enrollment	\$1,695.0	\$401.1	\$100.2	\$52.2	\$2,248.5
Incurred Claims	\$1,690.2	\$381.1	\$91.1	\$48.3	\$2,210.7
Administrative Charges	\$28.5	\$6.1	\$2.6	\$1.0	\$38.2
Net Gain (Loss)	(\$23.7)	\$13.9	\$6.5	\$2.9	(\$0.4)

The current Plan Year 2017 financial results project a gain of \$120 million. By comparison, last year's renewal analysis projected a loss of \$56 million for Plan Year 2017. This reduction in projected costs is largely due to better-than-expected prescription drug experience for Retirees.

The current Plan Year 2018 financial results project a gain of \$184 million. By comparison, last year's renewal analysis projected a gain of \$35 million for Plan Year 2018. The reduction in cost is largely due to lower expectations of prescription drug costs (i.e., trends).

The Plan Year 2019 renewal premiums are projected to produce approximately no loss or gain for Actives and Retirees. The Plan Year 2019 aggregate projected costs are \$2.2 billion: \$1.3 billion for Actives and \$0.9 billion for Retirees.

More detailed aggregate projections are displayed in Exhibit 3. The losses and gains displayed in this table and in Exhibit 3 assume that all premiums are fully funded.

Self-Insured Vendor Administrative Fees and Claim Charges

The sections below show Plan Year 2019 administrative fees and other claim charges, as applicable, separately by each of the medical and prescription drug vendors. The fees are reported by the vendors in different categories and may appear aggregated within different rows in Exhibit 3, including incurred medical and prescription drug claims, capitation and administrative fees. Unless otherwise noted, all per-employee per-month (PEPM) and per-member per-month (PMPM) fees will remain the same from Plan Year 2018 to Plan Year 2019.

Medical Fees/Charges

	Plan Year 2019 Per Employee Per Month (PEPM) Administrative Fees					
	Horizon			Aetna		
	PPO	HMO	HDHP	PPO	HMO	HDHP
Actives						
Base Administrative Fee	\$23.60	\$36.90	\$28.42*	\$32.75	\$44.79	\$34.19
NJWELL Administrative Fee	\$0.60	\$0.60	\$0.60	\$1.79	\$1.79	\$1.79
Early and Medicare Retirees						
Base Administrative Fee	\$23.60	\$36.90	\$28.42*	\$32.75	\$44.79	\$34.19
Base Administrative Fee – Split Contracts	N/A	N/A	N/A	\$16.38	\$22.40	N/A

* Includes \$4.82 Health Savings Account Fee per account per month

Other fees/claim charges that may be included within the incurred medical and prescription drug claims, capitation and administrative fees within Exhibit 3 include but are not limited to:

- NJWELL and Retiree Wellness Program fees (physician attestation forms, gift cards, etc.)
- DPCMH and PCMH administrative fees and capitation amounts
- Claim recovery services

Prescription Drug Fees

Administrative fees charged by Optum for the prescription drug program for Plan Year 2019 are \$5.25 PEPM for Commercial and \$8.00 PMPM for EGWP.

Minimum Value

Under the Affordable Care Act, beginning in 2014, eligible individuals who purchase coverage under a qualified health plan through a state health insurance exchange may receive a premium tax credit or cost-sharing subsidy unless they are eligible for other health care coverage, including coverage under an employer-sponsored health plan, that is affordable to the employee and provides minimum value. A plan fails to provide minimum value if the plan's share of the total allowed costs of benefits provided under the plan is less than 60% of such costs. The 2019 SEHBP plans were tested using the Minimum Value calculator provided by Health and Human Services (HHS) and the Internal Revenue Service (IRS). All the SEHBP plans have a minimum value greater than the 60% minimum requirement with values ranging from 66% for the \$4,000 High Deductible plan up to 97% for the Active NJ DIRECT10 plan.

Renewal Rate Development

Rating Methodology

Exhibit 3 shows the aggregate projected costs for Plan Years 2017, 2018 and 2019, separately for each PPO, HMO and High Deductible plan. Costs were projected separately for Actives, Early Retirees and Medicare Retirees, and for medical claims, prescription drug claims, administrative costs and aggregate premiums.

Plan Year 2019 premium increases were calculated separately for Actives, Early Retirees and Medicare Retirees; and by coverage type: PPO, HMO and prescription drugs. Aetna experience was used to develop the HMO premium increases; Horizon experience for the PPO premium increases; and Express Scripts and Optum experience for the prescription drug premium increases.

Projection Assumptions

1. Using paid claim data through June 2018 supplied by Horizon, Aetna, Express Scripts (through December 2017), and Optum (beginning December 2017), Aon estimated completed incurred claims for Plan Year 2018 separately for each benefit plan, for medical versus prescription drugs and for Actives, Early Retirees and Medicare Retirees. Due to the change in PBM and limited prescription drug data through March of 2018, the renewal reports have been updated using paid claim data through June in an effort to capture savings due to the change in PBM.
2. Capitation and other similar fixed claim charges were added to the incurred claims.
3. Estimated incurred claims in Plan Year 2018 were divided by average covered members to get average claims per member per year. Covered members were based on historical billing enrollment data by coverage tier and adjusted with assumptions for the number of members per coverage tier.
4. Claims per member were projected from the mid-point of the experience period to the mid-point of Plan Year 2019 using the annual trend rates listed in the Trend Analysis section of this document.
5. Aggregate claims for Plan Year 2019 are the product of projected enrollment and the projected claims per member.
6. Plan Year 2019 projected Medicare Advantage fully insured premiums are based rates provided in Aetna's Medicare Advantage RFP response.
7. Prescription drug rebates for Plan Years 2016 and 2017 are based on actual rebate payment data received from the State. Rebates for Plan Year 2018 and 2019 are based on information provided by Optum.
8. Prescription drug rebates paid through the medical plan for Plan Years 2016 and 2017 are based on actual rebate payment data provided by Aetna and Horizon. Prescription Drug Rebates paid through the medical plan for Plan Years 2018 and 2019 are incorporated in the medical claim projections.

9. EGWP projections include monthly CMS capitation payments per Medicare-eligible Retiree for prescription drug coverage, an annual CMS payment for reinsurance on catastrophic claims, prescription drug manufacturers' coverage gap reimbursement payments and CMS Low Income Cost Sharing (LICS) payments. These amounts are equal to recommendations from Express Scripts for Plan Year 2017 and from Optum for Plan Years 2018 and 2019.
 - a. CMS per capita payments: The Plan Year 2019 CMS per capita payment is assumed to be \$14.68 Per Member Per Month (PMPM).
 - b. Coverage Gap Discount: The Plan Year 2019 credits are assumed to be \$68.28 PMPM.
 - c. Catastrophic Reinsurance: This payment has a very long lag, and the Plan Year 2017 credit is not expected until the beginning of Plan Year 2019. The Plan Year 2019 credits are assumed to be \$94.09 PMPM.
 - d. Low Income Cost Sharing (LICS): Plan Year 2016 and 2017 actual LICS payments were provided by Express Scripts. For Plan Year 2019, the subsidy payment is assumed to be \$1.01 PMPM.
10. The Plan Year 2019 projected Education Surcharge is approximately \$23 million and this is used as a credit against projected Early Retiree Costs.
11. Total SEHBP projected Plan Year 2019 claim costs are the sum of projected medical and prescription drug claims, capitation charges, payments from CMS related to EGWP Plus Wrap, the Education Surcharge and prescription drug rebates.
12. Base administrative fees per subscriber per month or per member per month are multiplied by the projected average enrollment for the applicable projection Plan Year. Plan Year 2019 administrative fees were provided by Horizon, Aetna and Optum.
13. Overhead charges, which are internal State of New Jersey administrative costs charged against the plans, are projected to be equal to \$4.5 million for Plan Year 2019.
14. All other fees and claim charges reported by the vendors have been reflected in the projections.
15. Projected investment income of \$3.1 million was used to reduce projected administrative costs for Plan Year 2019.
16. Based on participation in NJWELL, employers are eligible for a 1% discount on their premium rates in the following plan year. Plan Year 2017 participation showed 1 Local Education employer (a total of 37 Employees) was eligible for this discount. The Plan Year 2018 costs have been adjusted to reflect the total number of Employees who will receive the 1% premium discount in 2018. No Employers are expected to be eligible for this discount in Plan Year 2019.

Margin

1. Active premiums include no margin, since the Active Claim Stabilization Reserve at the end of Plan Year 2019 is projected to be at or above the target reserve of 2.0 months of Plan costs as of 12/31/2019.
2. Retiree premiums include no margin since the State is responsible for covering the costs of approximately 90% of Education Retirees.
3. Projected Claim Stabilization Reserve at December 31, 2019 is based on the actual Claim Stabilization Reserve at June 30, 2017 provided by the State.

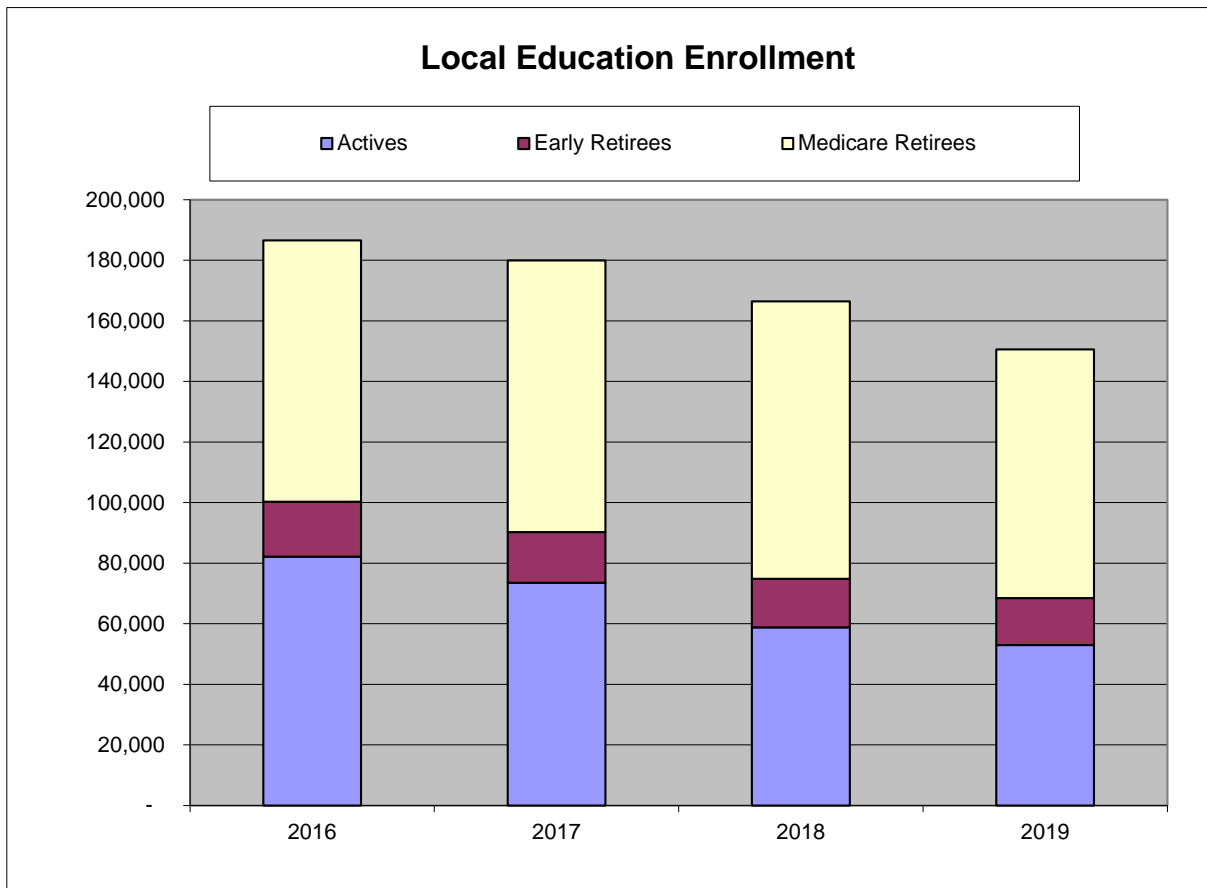
Projected Premiums

1. Plan Year 2019 self-insured premiums were developed by applying the premium increase percentages listed in the Executive Summary section of this document to the Plan Year 2018 premium rates.
2. Aggregate Plan Year 2019 premium is calculated by multiplying projected Plan Year 2019 enrollment by Plan Year 2019 premium rates.

Data Assumptions

1. Claims: For medical and prescription drug claims, claim files from each of the vendors, which have claims paid through June 30, 2018, were used.
2. Enrollment: Monthly census files received from the Division of Pensions and Benefits were matched against the claims data files to determine enrollments for Active and Retiree and for State participants as compared to Local Employers participants. Billing counts from the Division of Pensions and Benefits through July 2018 are used for the exposure units in the cost analysis.

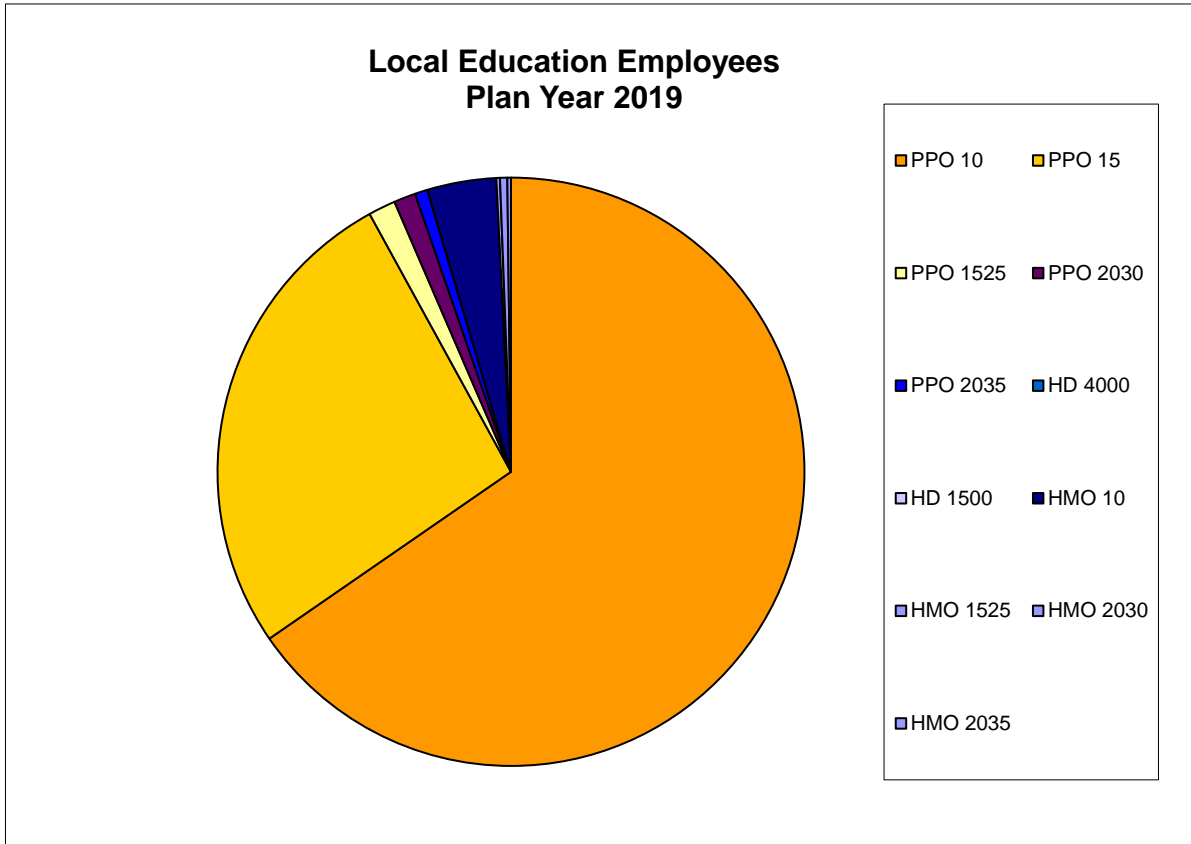
Exhibit 1A – Enrollment Projections



Annual Change in Enrollment

	<u>Actual 2016 to 2017</u>	<u>Projected 2017 to 2018</u>	<u>Projected 2018 to 2019</u>
Actives	(10.5%)	(20.0%)	(10.0%)
Early Retirees	(8.1%)	(4.0%)	(3.0%)
Medicare Retirees	4.0%	2.0%	3.0%

Exhibit 1B Actives – Projected Plan Year 2019 Plan Distribution



Assumes approximately 69% of employees will remain in the \$10 copay plans.

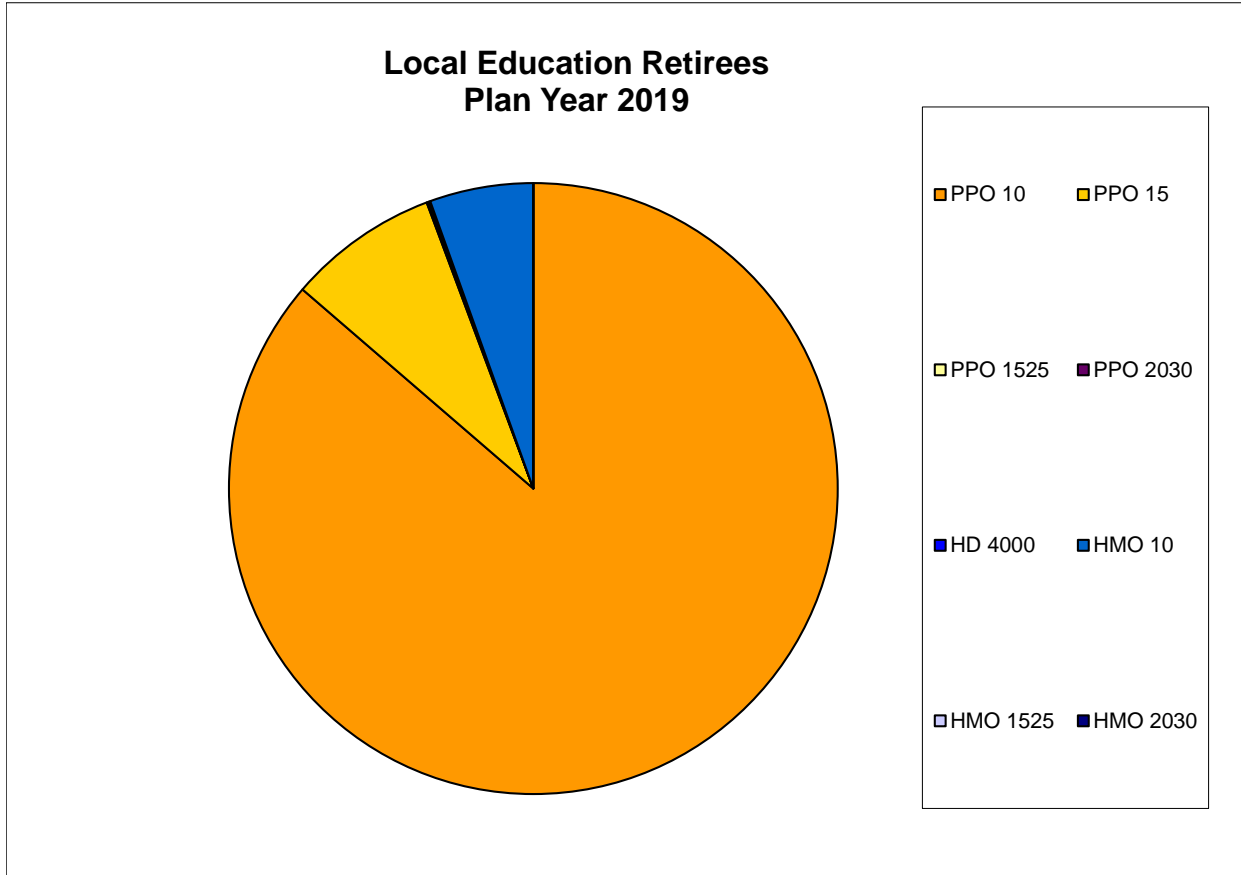
Assumes approximately 95% of employees will enroll in the PPO plans, 5% in the HMO plans, and less than 1% in the High Deductible plans.

Assumes approximately 96% of employees will enroll in the Legacy plans, with approximately 4% in the new benefit options.

Assumes approximately 91% of employees will enroll in the Horizon plans and approximately 9% of employees will enroll in the Aetna plans.

Actives	Horizon	Aetna	Total
PPO 10	62.0%	3.4%	65.4%
PPO 15	25.4%	1.2%	26.6%
PPO 1525	1.1%	0.4%	1.5%
PPO 2030	0.9%	0.3%	1.2%
PPO 2035	0.5%	0.2%	0.7%
HD 4000	0.0%	0.0%	0.0%
HD 1500	0.0%	0.0%	0.0%
HMO 10	0.5%	3.3%	3.8%
HMO 1525	0.1%	0.1%	0.2%
HMO 2030	0.3%	0.1%	0.4%
HMO 2035	0.2%	0.0%	0.2%
Total	91.0%	9.0%	100.0%

Exhibit 1B Retirees – Projected Plan Year 2019 Plan Distribution



Assumes approximately 92% of retirees will remain in the \$10 copay plans.

Assumes approximately 95% of retirees will enroll in the PPO plans, 6% in the HMO plans, and less than 1% in the High Deductible plan.

Assumes approximately 100% of retirees will enroll in the Legacy plans, with approximately 0% in the new benefit options.

Assumes approximately 13% of retirees will enroll in the Horizon plans and approximately 87% of retirees will enroll in the Aetna plans.

Retirees	Horizon	Aetna	Total
PPO 10	11.6%	74.7%	86.3%
PPO 15	0.6%	7.4%	8.0%
PPO 1525	0.1%	0.0%	0.1%
PPO 2030	0.1%	0.0%	0.1%
HD 4000	0.0%	0.0%	0.0%
HMO 10	0.2%	5.3%	5.5%
HMO 1525	0.0%	0.0%	0.0%
HMO 2030	0.0%	0.0%	0.0%
Total	12.6%	87.4%	100.0%

Exhibit 1C Actives – May 2018 Enrollment

	Number of Contracts as of May 2018				
	Single	Employee + Spouse	Family	Employee + Child(ren)	Total
EDUCATION - ACTIVE & COBRA					
Medical Plans					
Horizon 10 PPO	12,099	7,033	15,836	4,257	39,225
Horizon 15 PPO	5,300	2,253	5,666	1,645	14,864
Horizon 1525 PPO	296	77	181	47	601
Horizon 2030 PPO	230	69	124	47	470
Horizon 2035 PPO	181	42	54	20	297
Horizon HD1500	10	1	0	2	13
Horizon Legacy HMO (10)	154	32	76	59	321
Horizon 1525 HMO	37	7	7	11	62
Horizon 2030 HMO	130	10	25	3	168
Horizon 2035 HMO	101	4	8	10	123
Horizon Total	18,538	9,528	21,977	6,101	56,144
Aetna 10 PPO	788	306	856	258	2,208
Aetna 15 PPO	339	91	272	87	789
Aetna 1525 PPO	89	23	42	20	174
Aetna 2030 PPO	88	17	43	11	159
Aetna 2035 PPO	71	11	15	7	104
Aetna HD1500	4	0	1	0	5
Aetna Legacy HMO (10)	619	406	837	322	2,184
Aetna 1525 HMO	22	7	10	9	48
Aetna 2030 HMO	20	9	18	6	53
Aetna 2035 HMO	25	3	3	1	32
Aetna Total	2,065	873	2,097	721	5,756
Total	20,603	10,401	24,074	6,822	61,900

Exhibit 1C Retirees – May 2018 Enrollment

	Number of Contracts as of May 2018				Total
	Single	Employee + Spouse	Family	Employee + Child(ren)	
EDUCATION RETIREES					
Medical Plans					
Horizon 10 PPO	48,026	36,542	3,806	1,368	89,742
Horizon 15 PPO	4,928	3,015	274	133	8,350
Horizon 1525 PPO	88	52	9	3	152
Horizon 2030 PPO	41	16	3	3	63
Horizon HD4000	7	4	1	1	13
Horizon Legacy HMO (10)	90	62	17	12	181
Horizon 1525 HMO	9	7	1	1	18
Horizon 2030 HMO	6	4	1	3	14
Horizon Total	53,195	39,702	4,112	1,524	98,533
Aetna 10 PPO	1,060	1,304	367	120	2,851
Aetna 15 PPO	123	86	13	9	231
Aetna 1525 PPO	2	1	0	1	4
Aetna 2030 PPO	2	1	0	1	4
Aetna HD4000	2	1	0	0	3
Aetna Legacy HMO (10)	3,076	2,153	263	159	5,651
Aetna 1525 HMO	23	4	0	2	29
Aetna 2030 HMO	3	0	0	0	3
Aetna Total	4,291	3,550	643	292	8,776
Total	57,486	43,252	4,755	1,816	107,309

Exhibit 2A – Medical Trend

	(A) Increase in Claims/Ee	(B) Benefit + RFP Changes	(C) = (A) - (B) Claim Trend
<u>PPO Active</u>			
07/01/2016 - 06/30/2017	7.1%	0.4%	6.7%
07/01/2017 - 06/30/2018	10.2%	0.5%	9.7%
Average			8.2%
Aon Plan Year 2019 Trend Assumption			8.0%

<u>PPO Early Retiree</u>			
07/01/2016 - 06/30/2017	2.6%	0.5%	2.1%
07/01/2017 - 06/30/2018	6.2%	0.5%	5.7%
Average			3.9%
Aon Plan Year 2019 Trend Assumption			6.0%

<u>Self-Insured PPO Medicare Retiree</u>			
07/01/2016 - 06/30/2017	3.1%	0.0%	3.1%
07/01/2017 - 06/30/2018	6.5%	0.0%	6.5%
Average			4.8%
Aon Plan Year 2019 Trend Assumption			4.0%

<u>HMO Active</u>			
07/01/2016 - 06/30/2017	4.8%	0.4%	4.4%
07/01/2017 - 06/30/2018	4.0%	0.5%	3.5%
Average			4.0%
Aon Plan Year 2019 Trend Assumption			6.0%

<u>HMO Early Retiree</u>			
07/01/2016 - 06/30/2017	(5.7%)	0.4%	(6.1%)
07/01/2017 - 06/30/2018	4.6%	0.5%	4.1%
Average			(1.0%)
Aon Plan Year 2019 Trend Assumption			6.0%

Normalizing Adjustments

1/1/2017: Expansion of Health Programs requirements to transgender individuals (ACA 1557).

5/16/2017: Treatments for Substance Use Disorder and Restrictions on Opioids Law.

Exhibit 2B – Prescription Drug Trend

	(A) Increase in Claims/Ee	(B) Benefit + RFP Changes	(C) = (A) - (B) Claim Trend
Active Rx			
07/01/2016 - 06/30/2017	(17.3%)	(19.7%)	2.4%
07/01/2017 - 06/30/2018	0.2%	(1.0%)	1.2%
Average			1.8%
Aon Plan Year 2019 Trend Assumption			10.0%

Retiree Rx			
07/01/2016 - 06/30/2017	(4.0%)	(8.7%)	4.7%
07/01/2017 - 06/30/2018	3.5%	(2.3%)	5.8%
Average			5.2%
Aon Plan Year 2019 Trend Assumption			8.0%

Normalizing Adjustments:

3/1/2016: Adjustment for compound drugs.

Exhibit 3A – Plan Year 2017 Aggregate Costs

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	Legacy Plans							1525			
	Total	Aetna PPO 10	Aetna PPO 15	NJ DIRECT 10	NJ DIRECT 15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
Employees and Retirees											
Average Medical Members	350,844	10,760	2,103	262,030	49,094	18,929	1,143	405	3,486	181	152
Incurred Medical Claims	\$1,970,546,000	\$73,279,000	\$14,024,000	\$1,466,094,000	\$291,275,000	\$85,732,000	\$4,259,000	\$1,876,000	\$21,906,000	\$1,003,000	\$338,000
Capitation	\$23,040,000	\$0	\$0	\$13,534,000	\$3,170,000	\$5,634,000	\$90,000	\$0	\$277,000	\$78,000	\$11,000
Incurred Prescription Drug Claims	\$931,019,000	\$27,150,000	\$3,028,000	\$747,974,000	\$89,807,000	\$55,831,000	\$2,000,000	\$384,000	\$2,482,000	\$397,000	\$121,000
Prescription Drug Rebates	(\$150,842,000)	(\$4,480,000)	(\$500,000)	(\$121,060,000)	(\$14,578,000)	(\$9,029,000)	(\$326,000)	(\$64,000)	(\$411,000)	(\$64,000)	(\$20,000)
EGWP Credits	(\$195,332,000)	(\$3,607,000)	(\$288,000)	(\$164,443,000)	(\$16,107,000)	(\$10,277,000)	(\$248,000)	\$0	(\$207,000)	(\$38,000)	(\$25,000)
Education Surcharge	(\$24,918,000)	(\$1,536,000)	(\$75,000)	(\$20,355,000)	(\$1,290,000)	(\$1,464,000)	(\$80,000)	(\$8,000)	(\$36,000)	(\$6,000)	(\$7,000)
Administrative Fees	\$64,893,000	\$1,821,000	\$389,000	\$49,430,000	\$7,639,000	\$4,166,000	\$271,000	\$89,000	\$433,000	\$53,000	\$40,000
Total Cost	\$2,618,406,000	\$92,627,000	\$16,578,000	\$1,971,174,000	\$359,916,000	\$130,593,000	\$5,966,000	\$2,277,000	\$24,444,000	\$1,423,000	\$458,000
Total Premium	\$2,738,366,000	\$93,946,000	\$17,604,000	\$2,042,521,000	\$377,715,000	\$144,504,000	\$9,352,000	\$3,483,000	\$26,856,000	\$1,379,000	\$1,156,000
Gain (Loss)	\$119,960,000	\$1,319,000	\$1,026,000	\$71,347,000	\$17,799,000	\$13,911,000	\$3,386,000	\$1,206,000	\$2,412,000	(\$44,000)	\$698,000
Employees											
Average Medical Members	185,786	6,034	1,799	124,045	36,677	10,006	857	392	3,296	147	126
Incurred Medical Claims	\$1,350,546,000	\$45,055,000	\$12,665,000	\$949,873,000	\$254,383,000	\$52,175,000	\$3,238,000	\$1,807,000	\$20,848,000	\$604,000	\$283,000
Capitation	\$17,439,000	\$0	\$0	\$9,703,000	\$2,888,000	\$4,195,000	\$68,000	\$0	\$271,000	\$74,000	\$9,000
Incurred Prescription Drug Claims	\$192,264,000	\$9,056,000	\$1,639,000	\$138,931,000	\$29,290,000	\$9,673,000	\$619,000	\$354,000	\$1,353,000	\$103,000	\$25,000
Prescription Drug Rebates	(\$32,286,000)	(\$1,521,000)	(\$275,000)	(\$23,331,000)	(\$4,919,000)	(\$1,624,000)	(\$104,000)	(\$59,000)	(\$227,000)	(\$17,000)	(\$4,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Education Surcharge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$22,787,000	\$1,029,000	\$331,000	\$13,346,000	\$4,148,000	\$2,690,000	\$179,000	\$85,000	\$382,000	\$46,000	\$31,000
Total Cost	\$1,550,750,000	\$53,619,000	\$14,360,000	\$1,088,522,000	\$285,790,000	\$67,109,000	\$4,000,000	\$2,187,000	\$22,627,000	\$810,000	\$344,000
Total Premium	\$1,583,596,000	\$53,718,000	\$15,226,000	\$1,075,168,000	\$300,925,000	\$81,761,000	\$7,132,000	\$3,339,000	\$25,572,000	\$1,159,000	\$972,000
Gain (Loss)	\$32,846,000	\$99,000	\$866,000	(\$13,354,000)	\$15,135,000	\$14,652,000	\$3,132,000	\$1,152,000	\$2,945,000	\$349,000	\$628,000
Retirees											
Average Medical Members	165,058	4,726	304	137,985	12,417	8,923	286	13	190	34	26
Incurred Medical Claims	\$620,000,000	\$28,224,000	\$1,359,000	\$516,221,000	\$36,892,000	\$33,557,000	\$1,021,000	\$69,000	\$1,058,000	\$399,000	\$55,000
Capitation	\$5,601,000	\$0	\$0	\$3,831,000	\$282,000	\$1,439,000	\$22,000	\$0	\$6,000	\$4,000	\$2,000
Incurred Prescription Drug Claims	\$738,755,000	\$18,094,000	\$1,389,000	\$609,043,000	\$60,517,000	\$46,158,000	\$1,381,000	\$30,000	\$1,129,000	\$294,000	\$96,000
Prescription Drug Rebates	(\$118,556,000)	(\$2,959,000)	(\$225,000)	(\$97,729,000)	(\$9,659,000)	(\$7,405,000)	(\$222,000)	(\$5,000)	(\$184,000)	(\$47,000)	(\$16,000)
EGWP Credits	(\$195,332,000)	(\$3,607,000)	(\$288,000)	(\$164,443,000)	(\$16,107,000)	(\$10,277,000)	(\$248,000)	\$0	(\$207,000)	(\$38,000)	(\$25,000)
Education Surcharge	(\$24,918,000)	(\$1,536,000)	(\$75,000)	(\$20,355,000)	(\$1,290,000)	(\$1,464,000)	(\$80,000)	(\$8,000)	(\$36,000)	(\$6,000)	(\$7,000)
Administrative Fees	\$42,106,000	\$792,000	\$58,000	\$36,084,000	\$3,491,000	\$1,476,000	\$92,000	\$4,000	\$51,000	\$7,000	\$9,000
Total Cost	\$1,067,656,000	\$39,008,000	\$2,218,000	\$882,652,000	\$74,126,000	\$63,484,000	\$1,966,000	\$90,000	\$1,817,000	\$613,000	\$114,000
Total Premium	\$1,154,770,000	\$40,228,000	\$2,378,000	\$967,353,000	\$76,790,000	\$62,743,000	\$2,220,000	\$144,000	\$1,284,000	\$220,000	\$184,000
Gain (Loss)	\$87,114,000	\$1,220,000	\$160,000	\$84,701,000	\$2,664,000	(\$741,000)	\$254,000	\$54,000	(\$533,000)	(\$393,000)	\$70,000

Some plans may show \$0 in certain cost categories. These plans may have costs which are less than \$500 and round to \$0.

Exhibit 3A – Plan Year 2017 Aggregate Costs

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	2030				2035				HD 4000		HD 1500	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
Employees and Retirees												
Average Medical Members	313	1,032	150	297	126	375	58	153	5	20	11	21
Incurred Medical Claims	\$1,600,000	\$4,702,000	\$553,000	\$1,393,000	\$555,000	\$1,234,000	\$177,000	\$371,000	\$4,000	\$133,000	\$14,000	\$24,000
Capitation	\$0	\$80,000	\$72,000	\$23,000	\$0	\$35,000	\$23,000	\$10,000	\$0	\$2,000	\$0	\$1,000
Incurred Prescription Drug Claims	\$181,000	\$1,001,000	\$93,000	\$169,000	\$55,000	\$138,000	\$57,000	\$42,000	\$0	\$105,000	\$1,000	\$3,000
Prescription Drug Rebates	(\$31,000)	(\$168,000)	(\$16,000)	(\$28,000)	(\$9,000)	(\$23,000)	(\$10,000)	(\$7,000)	\$0	(\$18,000)	\$0	\$0
EGWP Credits	\$0	(\$78,000)	\$0	(\$14,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Education Surcharge	(\$5,000)	(\$26,000)	(\$2,000)	(\$12,000)	\$0	\$0	\$0	\$0	(\$3,000)	(\$13,000)	\$0	\$0
Administrative Fees	\$69,000	\$157,000	\$47,000	\$89,000	\$35,000	\$67,000	\$31,000	\$54,000	\$2,000	\$4,000	\$3,000	\$4,000
Total Cost	\$1,814,000	\$5,668,000	\$747,000	\$1,620,000	\$636,000	\$1,451,000	\$278,000	\$470,000	\$3,000	\$213,000	\$18,000	\$32,000
Total Premium	\$2,516,000	\$8,168,000	\$1,115,000	\$2,448,000	\$929,000	\$2,699,000	\$447,000	\$1,077,000	\$42,000	\$163,000	\$81,000	\$165,000
Gain (Loss)	\$702,000	\$2,500,000	\$368,000	\$828,000	\$293,000	\$1,248,000	\$169,000	\$607,000	\$39,000	(\$50,000)	\$63,000	\$133,000
Employees												
Average Medical Members	306	941	146	270	126	375	58	153	N/A	N/A	11	21
Incurred Medical Claims	\$1,426,000	\$4,402,000	\$352,000	\$1,060,000	\$555,000	\$1,234,000	\$177,000	\$371,000	N/A	N/A	\$14,000	\$24,000
Capitation	\$0	\$75,000	\$66,000	\$21,000	\$0	\$35,000	\$23,000	\$10,000	N/A	N/A	\$0	\$1,000
Incurred Prescription Drug Claims	\$160,000	\$582,000	\$58,000	\$125,000	\$55,000	\$138,000	\$57,000	\$42,000	N/A	N/A	\$1,000	\$3,000
Prescription Drug Rebates	(\$27,000)	(\$98,000)	(\$10,000)	(\$21,000)	(\$9,000)	(\$23,000)	(\$10,000)	(\$7,000)	N/A	N/A	\$0	\$0
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Education Surcharge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$67,000	\$133,000	\$44,000	\$82,000	\$35,000	\$67,000	\$31,000	\$54,000	N/A	N/A	\$3,000	\$4,000
Total Cost	\$1,626,000	\$5,094,000	\$510,000	\$1,267,000	\$636,000	\$1,451,000	\$278,000	\$470,000	N/A	N/A	\$18,000	\$32,000
Total Premium	\$2,431,000	\$7,486,000	\$1,069,000	\$2,240,000	\$929,000	\$2,699,000	\$447,000	\$1,077,000	N/A	N/A	\$81,000	\$165,000
Gain (Loss)	\$805,000	\$2,392,000	\$559,000	\$973,000	\$293,000	\$1,248,000	\$169,000	\$607,000	N/A	N/A	\$63,000	\$133,000
Retirees												
Average Medical Members	7	91	4	27	N/A	N/A	N/A	N/A	5	20	N/A	N/A
Incurred Medical Claims	\$174,000	\$300,000	\$201,000	\$333,000	N/A	N/A	N/A	N/A	\$4,000	\$133,000	N/A	N/A
Capitation	\$0	\$5,000	\$6,000	\$2,000	N/A	N/A	N/A	N/A	\$0	\$2,000	N/A	N/A
Incurred Prescription Drug Claims	\$21,000	\$419,000	\$35,000	\$44,000	N/A	N/A	N/A	N/A	\$0	\$105,000	N/A	N/A
Prescription Drug Rebates	(\$4,000)	(\$70,000)	(\$6,000)	(\$7,000)	N/A	N/A	N/A	N/A	\$0	(\$18,000)	N/A	N/A
EGWP Credits	\$0	(\$78,000)	\$0	(\$14,000)	N/A	N/A	N/A	N/A	\$0	\$0	N/A	N/A
Education Surcharge	(\$5,000)	(\$26,000)	(\$2,000)	(\$12,000)	N/A	N/A	N/A	N/A	(\$3,000)	(\$13,000)	N/A	N/A
Administrative Fees	\$2,000	\$24,000	\$3,000	\$7,000	N/A	N/A	N/A	N/A	\$2,000	\$4,000	N/A	N/A
Total Cost	\$188,000	\$574,000	\$237,000	\$353,000	N/A	N/A	N/A	N/A	\$3,000	\$213,000	N/A	N/A
Total Premium	\$85,000	\$682,000	\$46,000	\$208,000	N/A	N/A	N/A	N/A	\$42,000	\$163,000	N/A	N/A
Gain (Loss)	(\$103,000)	\$108,000	(\$191,000)	(\$145,000)	N/A	N/A	N/A	N/A	\$39,000	(\$50,000)	N/A	N/A

Some plans may show \$0 in certain cost categories. These plans may have costs which are less than \$500 and round to \$0.

Exhibit 3B – Plan Year 2018 Aggregate Costs

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	Legacy Plans							1525			
	Total	Aetna PPO 10	Aetna PPO 15	NJ DIRECT 10	NJ DIRECT 15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
Employees and Retirees											
Average Medical Members	314,547	10,522	1,956	233,300	49,346	13,729	917	341	1,490	129	123
Incurred Medical Claims	\$1,843,087,000	\$71,149,000	\$10,944,000	\$1,350,277,000	\$318,741,000	\$63,037,000	\$3,730,000	\$1,789,000	\$10,129,000	\$815,000	\$917,000
Capitation	\$17,724,000	\$0	\$0	\$11,353,000	\$3,312,000	\$2,563,000	\$77,000	\$0	\$111,000	\$44,000	\$9,000
Incurred Prescription Drug Claims	\$949,038,000	\$27,495,000	\$2,815,000	\$763,660,000	\$95,920,000	\$52,172,000	\$1,591,000	\$260,000	\$2,461,000	\$235,000	\$168,000
Prescription Drug Rebates	(\$220,333,000)	(\$6,797,000)	(\$728,000)	(\$175,836,000)	(\$23,207,000)	(\$11,958,000)	(\$388,000)	(\$74,000)	(\$630,000)	(\$59,000)	(\$41,000)
EGWP Credits	(\$206,000,000)	(\$4,393,000)	(\$356,000)	(\$173,447,000)	(\$16,491,000)	(\$10,603,000)	(\$266,000)	\$0	(\$266,000)	(\$44,000)	(\$25,000)
Education Surcharge	(\$23,344,000)	(\$1,675,000)	(\$92,000)	(\$18,884,000)	(\$1,195,000)	(\$1,297,000)	(\$85,000)	(\$5,000)	(\$44,000)	(\$4,000)	(\$8,000)
Administrative Fees	\$63,338,000	\$1,724,000	\$367,000	\$49,225,000	\$8,283,000	\$2,476,000	\$248,000	\$76,000	\$259,000	\$32,000	\$37,000
Total Cost	\$2,423,510,000	\$87,503,000	\$12,950,000	\$1,806,348,000	\$385,363,000	\$96,390,000	\$4,907,000	\$2,046,000	\$12,020,000	\$1,019,000	\$1,057,000
Total Premium	\$2,607,262,000	\$100,871,000	\$18,354,000	\$1,906,015,000	\$423,102,000	\$107,746,000	\$8,386,000	\$3,282,000	\$13,609,000	\$1,082,000	\$1,108,000
Gain (Loss)	\$183,752,000	\$13,368,000	\$5,404,000	\$99,667,000	\$37,739,000	\$11,356,000	\$3,479,000	\$1,236,000	\$1,589,000	\$63,000	\$51,000
Employees											
Average Medical Members	147,865	5,061	1,584	94,209	37,093	4,995	613	333	1,252	95	94
Incurred Medical Claims	\$1,172,435,000	\$37,122,000	\$8,764,000	\$793,661,000	\$277,566,000	\$30,712,000	\$2,168,000	\$1,766,000	\$8,861,000	\$409,000	\$807,000
Capitation	\$13,127,000	\$0	\$0	\$7,593,000	\$3,033,000	\$2,052,000	\$54,000	\$0	\$103,000	\$41,000	\$7,000
Incurred Prescription Drug Claims	\$160,748,000	\$5,667,000	\$1,429,000	\$108,965,000	\$34,448,000	\$6,786,000	\$434,000	\$252,000	\$1,109,000	\$83,000	\$47,000
Prescription Drug Rebates	(\$46,102,000)	(\$1,625,000)	(\$410,000)	(\$31,251,000)	(\$9,880,000)	(\$1,946,000)	(\$124,000)	(\$72,000)	(\$318,000)	(\$24,000)	(\$13,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Education Surcharge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$19,596,000	\$878,000	\$305,000	\$11,457,000	\$4,774,000	\$1,146,000	\$147,000	\$74,000	\$195,000	\$27,000	\$27,000
Total Cost	\$1,319,804,000	\$42,042,000	\$10,088,000	\$890,425,000	\$309,941,000	\$38,750,000	\$2,679,000	\$2,020,000	\$9,950,000	\$536,000	\$875,000
Total Premium	\$1,432,405,000	\$50,205,000	\$15,116,000	\$925,762,000	\$348,151,000	\$47,973,000	\$5,879,000	\$3,177,000	\$11,965,000	\$876,000	\$874,000
Gain (Loss)	\$112,601,000	\$8,163,000	\$5,028,000	\$35,337,000	\$38,210,000	\$9,223,000	\$3,200,000	\$1,157,000	\$2,015,000	\$340,000	(\$1,000)
Retirees											
Average Medical Members	166,682	5,461	372	139,091	12,253	8,734	304	8	238	34	29
Incurred Medical Claims	\$670,652,000	\$34,027,000	\$2,180,000	\$556,616,000	\$41,175,000	\$32,325,000	\$1,562,000	\$23,000	\$1,268,000	\$406,000	\$110,000
Capitation	\$4,597,000	\$0	\$0	\$3,760,000	\$279,000	\$511,000	\$23,000	\$0	\$8,000	\$3,000	\$2,000
Incurred Prescription Drug Claims	\$788,290,000	\$21,828,000	\$1,386,000	\$654,695,000	\$61,472,000	\$45,386,000	\$1,157,000	\$8,000	\$1,352,000	\$152,000	\$121,000
Prescription Drug Rebates	(\$174,231,000)	(\$5,172,000)	(\$318,000)	(\$144,585,000)	(\$13,327,000)	(\$10,012,000)	(\$264,000)	(\$2,000)	(\$312,000)	(\$35,000)	(\$28,000)
EGWP Credits	(\$206,000,000)	(\$4,393,000)	(\$356,000)	(\$173,447,000)	(\$16,491,000)	(\$10,603,000)	(\$266,000)	\$0	(\$266,000)	(\$44,000)	(\$25,000)
Education Surcharge	(\$23,344,000)	(\$1,675,000)	(\$92,000)	(\$18,884,000)	(\$1,195,000)	(\$1,297,000)	(\$85,000)	(\$5,000)	(\$44,000)	(\$4,000)	(\$8,000)
Administrative Fees	\$43,742,000	\$846,000	\$62,000	\$37,768,000	\$3,509,000	\$1,330,000	\$101,000	\$2,000	\$64,000	\$5,000	\$10,000
Total Cost	\$1,103,706,000	\$45,461,000	\$2,862,000	\$915,923,000	\$75,422,000	\$57,640,000	\$2,228,000	\$26,000	\$2,070,000	\$483,000	\$182,000
Total Premium	\$1,174,857,000	\$50,666,000	\$3,238,000	\$980,253,000	\$74,951,000	\$59,773,000	\$2,507,000	\$105,000	\$1,644,000	\$206,000	\$234,000
Gain (Loss)	\$71,151,000	\$5,205,000	\$376,000	\$64,330,000	(\$471,000)	\$2,133,000	\$279,000	\$79,000	(\$426,000)	(\$277,000)	\$52,000

Some plans may show \$0 in certain cost categories. These plans may have costs which are less than \$500 and round to \$0.

Exhibit 3B – Plan Year 2018 Aggregate Costs

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	2030				2035				HD 4000		HD 1500	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
Employees and Retirees												
Average Medical Members	299	1,064	118	271	166	529	42	154	4	24	8	15
Incurred Medical Claims	\$1,158,000	\$4,772,000	\$753,000	\$1,226,000	\$382,000	\$2,280,000	\$46,000	\$698,000	\$67,000	\$132,000	\$20,000	\$25,000
Capitation	\$0	\$82,000	\$55,000	\$23,000	\$0	\$48,000	\$32,000	\$12,000	\$0	\$2,000	\$0	\$1,000
Incurred Prescription Drug Claims	\$110,000	\$1,284,000	\$35,000	\$123,000	\$185,000	\$258,000	\$39,000	\$83,000	\$0	\$143,000	\$0	\$1,000
Prescription Drug Rebates	(\$32,000)	(\$336,000)	(\$10,000)	(\$34,000)	(\$53,000)	(\$74,000)	(\$11,000)	(\$24,000)	\$0	(\$41,000)	\$0	\$0
EGWP Credits	\$0	(\$95,000)	\$0	(\$14,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Education Surcharge	(\$4,000)	(\$20,000)	(\$3,000)	(\$10,000)	\$0	\$0	\$0	\$0	(\$3,000)	(\$15,000)	\$0	\$0
Administrative Fees	\$69,000	\$185,000	\$30,000	\$91,000	\$46,000	\$101,000	\$17,000	\$57,000	\$2,000	\$6,000	\$2,000	\$5,000
Total Cost	\$1,301,000	\$5,872,000	\$860,000	\$1,405,000	\$560,000	\$2,613,000	\$123,000	\$826,000	\$66,000	\$227,000	\$22,000	\$32,000
Total Premium	\$2,737,000	\$9,563,000	\$992,000	\$2,518,000	\$1,369,000	\$4,470,000	\$352,000	\$1,225,000	\$44,000	\$222,000	\$72,000	\$143,000
Gain (Loss)	\$1,436,000	\$3,691,000	\$132,000	\$1,113,000	\$809,000	\$1,857,000	\$229,000	\$399,000	(\$22,000)	(\$5,000)	\$50,000	\$111,000
Employees												
Average Medical Members	292	972	113	245	166	529	42	154	N/A	N/A	8	15
Incurred Medical Claims	\$1,022,000	\$4,491,000	\$737,000	\$898,000	\$382,000	\$2,280,000	\$46,000	\$698,000	N/A	N/A	\$20,000	\$25,000
Capitation	\$0	\$78,000	\$52,000	\$21,000	\$0	\$48,000	\$32,000	\$12,000	N/A	N/A	\$0	\$1,000
Incurred Prescription Drug Claims	\$103,000	\$736,000	\$34,000	\$89,000	\$185,000	\$258,000	\$39,000	\$83,000	N/A	N/A	\$0	\$1,000
Prescription Drug Rebates	(\$30,000)	(\$211,000)	(\$10,000)	(\$26,000)	(\$53,000)	(\$74,000)	(\$11,000)	(\$24,000)	N/A	N/A	\$0	\$0
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Education Surcharge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$67,000	\$159,000	\$28,000	\$84,000	\$46,000	\$101,000	\$17,000	\$57,000	N/A	N/A	\$2,000	\$5,000
Total Cost	\$1,162,000	\$5,253,000	\$841,000	\$1,066,000	\$560,000	\$2,613,000	\$123,000	\$826,000	N/A	N/A	\$22,000	\$32,000
Total Premium	\$2,653,000	\$8,900,000	\$936,000	\$2,307,000	\$1,369,000	\$4,470,000	\$352,000	\$1,225,000	N/A	N/A	\$72,000	\$143,000
Gain (Loss)	\$1,491,000	\$3,647,000	\$95,000	\$1,241,000	\$809,000	\$1,857,000	\$229,000	\$399,000	N/A	N/A	\$50,000	\$111,000
Retirees												
Average Medical Members	7	92	5	26	N/A	N/A	N/A	N/A	4	24	N/A	N/A
Incurred Medical Claims	\$136,000	\$281,000	\$16,000	\$328,000	N/A	N/A	N/A	N/A	\$67,000	\$132,000	N/A	N/A
Capitation	\$0	\$4,000	\$3,000	\$2,000	N/A	N/A	N/A	N/A	\$0	\$2,000	N/A	N/A
Incurred Prescription Drug Claims	\$7,000	\$548,000	\$1,000	\$34,000	N/A	N/A	N/A	N/A	\$0	\$143,000	N/A	N/A
Prescription Drug Rebates	(\$2,000)	(\$125,000)	\$0	(\$8,000)	N/A	N/A	N/A	N/A	\$0	(\$41,000)	N/A	N/A
EGWP Credits	\$0	(\$95,000)	\$0	(\$14,000)	N/A	N/A	N/A	N/A	\$0	\$0	N/A	N/A
Education Surcharge	(\$4,000)	(\$20,000)	(\$3,000)	(\$10,000)	N/A	N/A	N/A	N/A	(\$3,000)	(\$15,000)	N/A	N/A
Administrative Fees	\$2,000	\$26,000	\$2,000	\$7,000	N/A	N/A	N/A	N/A	\$2,000	\$6,000	N/A	N/A
Total Cost	\$139,000	\$619,000	\$19,000	\$339,000	N/A	N/A	N/A	N/A	\$66,000	\$227,000	N/A	N/A
Total Premium	\$84,000	\$663,000	\$56,000	\$211,000	N/A	N/A	N/A	N/A	\$44,000	\$222,000	N/A	N/A
Gain (Loss)	(\$55,000)	\$44,000	\$37,000	(\$128,000)	N/A	N/A	N/A	N/A	(\$22,000)	(\$5,000)	N/A	N/A

Some plans may show \$0 in certain cost categories. These plans may have costs which are less than \$500 and round to \$0.

Exhibit 3C – Projected Plan Year 2019 Aggregate Costs

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	Legacy Plans							1525			
	Total	Aetna PPO 10	Aetna PPO 15	NJ DIRECT 10	NJ DIRECT 15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
Employees and Retirees											
Average Medical Members	302,834	120,620	12,894	113,053	35,801	13,321	956	539	1,729	145	154
Incurred Medical Claims	\$1,710,770,000	\$191,653,000	\$23,855,000	\$1,096,006,000	\$296,719,000	\$54,284,000	\$5,623,000	\$4,322,000	\$12,788,000	\$751,000	\$914,000
Capitation	\$15,555,000	\$0	\$0	\$9,707,000	\$2,831,000	\$2,445,000	\$72,000	\$0	\$120,000	\$52,000	\$10,000
Incurred Prescription Drug Claims	\$1,036,636,000	\$661,652,000	\$69,203,000	\$197,462,000	\$41,078,000	\$57,009,000	\$2,143,000	\$680,000	\$2,851,000	\$371,000	\$255,000
Prescription Drug Rebates	(\$245,931,000)	(\$143,725,000)	(\$15,136,000)	(\$58,775,000)	(\$12,219,000)	(\$13,271,000)	(\$548,000)	(\$203,000)	(\$763,000)	(\$93,000)	(\$68,000)
EGWP Credits	(\$283,267,000)	(\$243,376,000)	(\$23,910,000)	\$0	\$0	(\$14,910,000)	(\$394,000)	\$0	(\$390,000)	(\$77,000)	(\$38,000)
Education Surcharge	(\$23,070,000)	(\$5,919,000)	(\$552,000)	(\$14,451,000)	(\$757,000)	(\$1,200,000)	(\$70,000)	(\$6,000)	(\$42,000)	(\$5,000)	(\$7,000)
Administrative Fees	\$38,203,000	\$14,238,000	\$1,584,000	\$14,296,000	\$4,483,000	\$2,372,000	\$233,000	\$94,000	\$258,000	\$30,000	\$34,000
Total Cost	\$2,248,896,000	\$474,523,000	\$55,044,000	\$1,244,245,000	\$332,135,000	\$86,729,000	\$7,059,000	\$4,887,000	\$14,822,000	\$1,029,000	\$1,100,000
Total Premium	\$2,248,516,000	\$539,381,000	\$59,933,000	\$1,155,553,000	\$341,142,000	\$91,663,000	\$8,576,000	\$5,039,000	\$15,496,000	\$1,110,000	\$1,305,000
Gain (Loss)	(\$380,000)	\$64,858,000	\$4,889,000	(\$88,692,000)	\$9,007,000	\$4,934,000	\$1,517,000	\$152,000	\$674,000	\$81,000	\$205,000
Employees											
Average Medical Members	133,080	4,554	1,550	82,385	33,847	4,409	659	530	1,479	101	124
Incurred Medical Claims	\$1,166,942,000	\$42,206,000	\$12,742,000	\$760,582,000	\$277,582,000	\$29,202,000	\$4,271,000	\$4,236,000	\$11,724,000	\$650,000	\$780,000
Capitation	\$11,158,000	\$0	\$0	\$6,124,000	\$2,559,000	\$1,947,000	\$54,000	\$0	\$113,000	\$47,000	\$9,000
Incurred Prescription Drug Claims	\$163,581,000	\$5,783,000	\$2,085,000	\$106,929,000	\$35,993,000	\$6,247,000	\$753,000	\$655,000	\$1,629,000	\$130,000	\$127,000
Prescription Drug Rebates	(\$48,649,000)	(\$1,720,000)	(\$620,000)	(\$31,800,000)	(\$10,704,000)	(\$1,858,000)	(\$224,000)	(\$195,000)	(\$485,000)	(\$39,000)	(\$38,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Education Surcharge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$17,512,000	\$771,000	\$267,000	\$10,182,000	\$4,271,000	\$1,026,000	\$129,000	\$92,000	\$192,000	\$24,000	\$24,000
Total Cost	\$1,310,544,000	\$47,040,000	\$14,474,000	\$852,017,000	\$309,701,000	\$36,564,000	\$4,983,000	\$4,788,000	\$13,173,000	\$812,000	\$902,000
Total Premium	\$1,310,568,000	\$45,752,000	\$14,906,000	\$827,641,000	\$324,837,000	\$42,299,000	\$6,270,000	\$4,934,000	\$13,896,000	\$897,000	\$1,092,000
Gain (Loss)	\$24,000	(\$1,288,000)	\$432,000	(\$24,376,000)	\$15,136,000	\$5,735,000	\$1,287,000	\$146,000	\$723,000	\$85,000	\$190,000
Retirees											
Average Medical Members	169,754	116,066	11,344	30,668	1,954	8,912	297	9	250	44	30
Incurred Medical Claims	\$543,828,000	\$149,447,000	\$11,113,000	\$335,424,000	\$19,137,000	\$25,082,000	\$1,352,000	\$86,000	\$1,064,000	\$101,000	\$134,000
Capitation	\$4,397,000	\$0	\$0	\$3,583,000	\$272,000	\$498,000	\$18,000	\$0	\$7,000	\$5,000	\$1,000
Incurred Prescription Drug Claims	\$873,055,000	\$655,869,000	\$67,118,000	\$90,533,000	\$5,085,000	\$50,762,000	\$1,390,000	\$25,000	\$1,222,000	\$241,000	\$128,000
Prescription Drug Rebates	(\$197,282,000)	(\$142,005,000)	(\$14,516,000)	(\$26,975,000)	(\$1,515,000)	(\$11,413,000)	(\$324,000)	(\$8,000)	(\$278,000)	(\$54,000)	(\$30,000)
EGWP Credits	(\$283,267,000)	(\$243,376,000)	(\$23,910,000)	\$0	\$0	(\$14,910,000)	(\$394,000)	\$0	(\$390,000)	(\$77,000)	(\$38,000)
Education Surcharge	(\$23,070,000)	(\$5,919,000)	(\$552,000)	(\$14,451,000)	(\$757,000)	(\$1,200,000)	(\$70,000)	(\$6,000)	(\$42,000)	(\$5,000)	(\$7,000)
Administrative Fees	\$20,691,000	\$13,467,000	\$1,317,000	\$4,114,000	\$212,000	\$1,346,000	\$104,000	\$2,000	\$66,000	\$6,000	\$10,000
Total Cost	\$938,352,000	\$427,483,000	\$40,570,000	\$392,228,000	\$22,434,000	\$50,165,000	\$2,076,000	\$99,000	\$1,649,000	\$217,000	\$198,000
Total Premium	\$937,948,000	\$493,629,000	\$45,027,000	\$327,912,000	\$16,305,000	\$49,364,000	\$2,306,000	\$105,000	\$1,600,000	\$213,000	\$213,000
Gain (Loss)	(\$404,000)	\$66,146,000	\$4,457,000	(\$64,316,000)	(\$6,129,000)	(\$801,000)	\$230,000	\$6,000	(\$49,000)	(\$4,000)	\$15,000

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Exhibit 3C – Projected Plan Year 2019 Aggregate Costs

Page 2 of 2

	2030				2035				HD 4000		HD 1500	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
Employees and Retirees												
Average Medical Members	471	1,285	113	395	252	681	64	258	6	29	25	40
Incurred Medical Claims	\$3,553,000	\$9,306,000	\$680,000	\$2,088,000	\$1,633,000	\$4,395,000	\$324,000	\$1,242,000	\$35,000	\$157,000	\$170,000	\$272,000
Capitation	\$0	\$92,000	\$58,000	\$32,000	\$0	\$59,000	\$53,000	\$18,000	\$0	\$2,000	\$1,000	\$3,000
Incurred Prescription Drug Claims	\$578,000	\$1,642,000	\$145,000	\$366,000	\$248,000	\$575,000	\$69,000	\$206,000	\$10,000	\$42,000	\$21,000	\$30,000
Prescription Drug Rebates	(\$172,000)	(\$455,000)	(\$43,000)	(\$104,000)	(\$74,000)	(\$171,000)	(\$20,000)	(\$61,000)	(\$3,000)	(\$12,000)	(\$6,000)	(\$9,000)
EGWP Credits	\$0	(\$151,000)	\$0	(\$21,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Education Surcharge	(\$5,000)	(\$20,000)	(\$4,000)	(\$10,000)	\$0	\$0	\$0	\$0	(\$4,000)	(\$18,000)	\$0	\$0
Administrative Fees	\$82,000	\$178,000	\$27,000	\$79,000	\$44,000	\$88,000	\$15,000	\$50,000	\$2,000	\$6,000	\$4,000	\$6,000
Total Cost	\$4,036,000	\$10,592,000	\$863,000	\$2,430,000	\$1,851,000	\$4,946,000	\$441,000	\$1,455,000	\$40,000	\$177,000	\$190,000	\$302,000
Total Premium	\$4,146,000	\$11,030,000	\$960,000	\$3,130,000	\$1,894,000	\$5,133,000	\$459,000	\$1,812,000	\$42,000	\$189,000	\$200,000	\$323,000
Gain (Loss)	\$110,000	\$438,000	\$97,000	\$700,000	\$43,000	\$187,000	\$18,000	\$357,000	\$2,000	\$12,000	\$10,000	\$21,000
Employees												
Average Medical Members	463	1,182	107	370	252	681	64	258	N/A	N/A	25	40
Incurred Medical Claims	\$3,482,000	\$8,862,000	\$632,000	\$1,955,000	\$1,633,000	\$4,395,000	\$324,000	\$1,242,000	N/A	N/A	\$170,000	\$272,000
Capitation	\$0	\$88,000	\$53,000	\$30,000	\$0	\$59,000	\$53,000	\$18,000	N/A	N/A	\$1,000	\$3,000
Incurred Prescription Drug Claims	\$555,000	\$1,147,000	\$127,000	\$272,000	\$248,000	\$575,000	\$69,000	\$206,000	N/A	N/A	\$21,000	\$30,000
Prescription Drug Rebates	(\$165,000)	(\$341,000)	(\$38,000)	(\$81,000)	(\$74,000)	(\$171,000)	(\$20,000)	(\$61,000)	N/A	N/A	(\$6,000)	(\$9,000)
EGWP Credits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Education Surcharge	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Fees	\$80,000	\$151,000	\$25,000	\$71,000	\$44,000	\$88,000	\$15,000	\$50,000	N/A	N/A	\$4,000	\$6,000
Total Cost	\$3,952,000	\$9,907,000	\$799,000	\$2,247,000	\$1,851,000	\$4,946,000	\$441,000	\$1,455,000	N/A	N/A	\$190,000	\$302,000
Total Premium	\$4,057,000	\$10,354,000	\$892,000	\$2,920,000	\$1,894,000	\$5,133,000	\$459,000	\$1,812,000	N/A	N/A	\$200,000	\$323,000
Gain (Loss)	\$105,000	\$447,000	\$93,000	\$673,000	\$43,000	\$187,000	\$18,000	\$357,000	N/A	N/A	\$10,000	\$21,000
Retirees												
Average Medical Members	8	103	6	25	N/A	N/A	N/A	N/A	6	29	N/A	N/A
Incurred Medical Claims	\$71,000	\$444,000	\$48,000	\$133,000	N/A	N/A	N/A	N/A	\$35,000	\$157,000	N/A	N/A
Capitation	\$0	\$4,000	\$5,000	\$2,000	N/A	N/A	N/A	N/A	\$0	\$2,000	N/A	N/A
Incurred Prescription Drug Claims	\$23,000	\$495,000	\$18,000	\$94,000	N/A	N/A	N/A	N/A	\$10,000	\$42,000	N/A	N/A
Prescription Drug Rebates	(\$7,000)	(\$114,000)	(\$5,000)	(\$23,000)	N/A	N/A	N/A	N/A	(\$3,000)	(\$12,000)	N/A	N/A
EGWP Credits	\$0	(\$151,000)	\$0	(\$21,000)	N/A	N/A	N/A	N/A	\$0	\$0	N/A	N/A
Education Surcharge	(\$5,000)	(\$20,000)	(\$4,000)	(\$10,000)	N/A	N/A	N/A	N/A	(\$4,000)	(\$18,000)	N/A	N/A
Administrative Fees	\$2,000	\$27,000	\$2,000	\$8,000	N/A	N/A	N/A	N/A	\$2,000	\$6,000	N/A	N/A
Total Cost	\$84,000	\$685,000	\$64,000	\$183,000	N/A	N/A	N/A	N/A	\$40,000	\$177,000	N/A	N/A
Total Premium	\$89,000	\$676,000	\$68,000	\$210,000	N/A	N/A	N/A	N/A	\$42,000	\$189,000	N/A	N/A
Gain (Loss)	\$5,000	(\$9,000)	\$4,000	\$27,000	N/A	N/A	N/A	N/A	\$2,000	\$12,000	N/A	N/A

Some plans may show \$0 in certain cost categories. These plans may have costs which are less than \$500 and round to \$0.

Exhibit 4A – Plan Year 2019 Monthly Active Premiums

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	Legacy Plans						1525			
	Aetna PPO10	Aetna PPO15	Horizon DIR10	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
Medical Coverage Only										
Single	\$965.77	\$919.38	\$965.77	\$919.38	\$885.55	\$876.71	\$892.29	\$892.29	\$817.72	\$809.55
Employee+Spouse	\$1,931.54	\$1,838.76	\$1,931.54	\$1,838.76	\$1,771.10	\$1,753.42	\$1,784.58	\$1,784.58	\$1,635.44	\$1,619.10
Family	\$2,762.10	\$2,629.43	\$2,762.10	\$2,629.43	\$2,532.67	\$2,507.39	\$2,551.95	\$2,551.95	\$2,338.68	\$2,315.31
Employee+Child(ren)	\$1,796.33	\$1,710.05	\$1,796.33	\$1,710.05	\$1,647.12	\$1,630.68	\$1,659.66	\$1,659.66	\$1,520.96	\$1,505.76
Adult Child Rate	\$847.17	\$806.48	\$847.17	\$806.48	\$776.80	\$769.05	\$782.72	\$782.72	\$717.30	\$710.13
	Legacy Plans						1525			
	Aetna PPO10	Aetna PPO15	Horizon DIR10	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
Rx Card										
Single	\$189.96	\$189.96	\$189.96	\$189.96	\$189.96	\$189.96	\$172.28	\$172.28	\$172.28	\$172.28
Employee+Spouse	\$379.92	\$379.92	\$379.92	\$379.92	\$379.92	\$379.92	\$344.56	\$344.56	\$344.56	\$344.56
Family	\$543.29	\$543.29	\$543.29	\$543.29	\$543.29	\$543.29	\$492.72	\$492.72	\$492.72	\$492.72
Employee+Child(ren)	\$353.33	\$353.33	\$353.33	\$353.33	\$353.33	\$353.33	\$320.44	\$320.44	\$320.44	\$320.44
Adult Child Rate	\$166.64	\$166.64	\$166.64	\$166.64	\$166.64	\$166.64	\$151.12	\$151.12	\$151.12	\$151.12
	Legacy Plans						1525			
	Aetna PPO10	Aetna PPO15	Horizon DIR10	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
Rx with Medical Coverage										
Single	\$1,104.45	\$1,051.39	\$1,104.45	\$1,051.39	\$1,068.12	\$1,059.28	\$1,016.00	\$1,016.00	\$990.00	\$981.83
Employee+Spouse	\$2,208.90	\$2,102.78	\$2,208.90	\$2,102.78	\$2,136.24	\$2,118.56	\$2,032.00	\$2,032.00	\$1,980.00	\$1,963.66
Family	\$3,158.72	\$3,006.98	\$3,158.72	\$3,006.98	\$3,054.82	\$3,029.54	\$2,905.76	\$2,905.76	\$2,831.40	\$2,808.03
Employee+Child(ren)	\$2,054.27	\$1,955.59	\$2,054.27	\$1,955.59	\$1,986.70	\$1,970.26	\$1,889.76	\$1,889.76	\$1,841.40	\$1,826.20
Adult Child Rate	\$968.82	\$922.28	\$968.82	\$922.28	\$936.95	\$929.20	\$891.24	\$891.24	\$868.43	\$861.26

Exhibit 4A – Plan Year 2019 Monthly Active Premiums

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	2030				2035				HD 1500	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO
<u>Medical Coverage Only</u>										
Single	\$838.58	\$838.58	\$768.95	\$761.26	\$721.19	\$721.19	\$661.30	\$654.67	\$752.41	\$752.41
Employee+Spouse	\$1,677.16	\$1,677.16	\$1,537.90	\$1,522.52	\$1,442.38	\$1,442.38	\$1,322.60	\$1,309.34	\$1,504.82	\$1,504.82
Family	\$2,398.34	\$2,398.34	\$2,199.20	\$2,177.20	\$2,062.60	\$2,062.60	\$1,891.32	\$1,872.36	\$2,151.89	\$2,151.89
Employee+Child(ren)	\$1,559.76	\$1,559.76	\$1,430.25	\$1,415.94	\$1,341.41	\$1,341.41	\$1,230.02	\$1,217.69	\$1,399.48	\$1,399.48
Adult Child Rate	\$735.60	\$735.60	\$674.53	\$667.77	\$632.62	\$632.62	\$580.09	\$574.28	\$660.01	\$660.01
	2030				2035				HD 1500	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO
<u>Rx Card</u>										
Single	\$175.33	\$175.33	\$175.33	\$175.33	\$157.80	\$157.80	\$157.80	\$157.80	\$180.08	\$180.08
Employee+Spouse	\$350.66	\$350.66	\$350.66	\$350.66	\$315.60	\$315.60	\$315.60	\$315.60	\$360.16	\$360.16
Family	\$501.44	\$501.44	\$501.44	\$501.44	\$451.31	\$451.31	\$451.31	\$451.31	\$515.03	\$515.03
Employee+Child(ren)	\$326.11	\$326.11	\$326.11	\$326.11	\$293.51	\$293.51	\$293.51	\$293.51	\$334.95	\$334.95
Adult Child Rate	\$153.80	\$153.80	\$153.80	\$153.80	\$138.42	\$138.42	\$138.42	\$138.42	\$157.97	\$157.97
	2030				2035				HD 1500	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO
<u>Rx with Medical Coverage</u>										
Single	\$962.29	\$962.29	\$944.28	\$936.59	\$832.54	\$832.54	\$819.10	\$812.47	\$932.49	\$932.49
Employee+Spouse	\$1,924.58	\$1,924.58	\$1,888.56	\$1,873.18	\$1,665.08	\$1,665.08	\$1,638.20	\$1,624.94	\$1,864.98	\$1,864.98
Family	\$2,752.15	\$2,752.15	\$2,700.64	\$2,678.64	\$2,381.06	\$2,381.06	\$2,342.63	\$2,323.67	\$2,666.92	\$2,666.92
Employee+Child(ren)	\$1,789.86	\$1,789.86	\$1,756.36	\$1,742.05	\$1,548.52	\$1,548.52	\$1,523.53	\$1,511.20	\$1,734.43	\$1,734.43
Adult Child Rate	\$844.12	\$844.12	\$828.32	\$821.57	\$730.30	\$730.30	\$718.52	\$712.70	\$817.98	\$817.98

Exhibit 4B – Plan Year 2019 Annual Active Premiums

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	Legacy Plans						1525			
	Aetna PPO10	Aetna PPO15	Horizon DIR10	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
Medical Coverage Only										
Single	\$11,589	\$11,033	\$11,589	\$11,033	\$10,627	\$10,521	\$10,707	\$10,707	\$9,813	\$9,715
Employee+Spouse	\$23,178	\$22,065	\$23,178	\$22,065	\$21,253	\$21,041	\$21,415	\$21,415	\$19,625	\$19,429
Family	\$33,145	\$31,553	\$33,145	\$31,553	\$30,392	\$30,089	\$30,623	\$30,623	\$28,064	\$27,784
Employee+Child(ren)	\$21,556	\$20,521	\$21,556	\$20,521	\$19,765	\$19,568	\$19,916	\$19,916	\$18,252	\$18,069
Adult Child Rate	\$10,166	\$9,678	\$10,166	\$9,678	\$9,322	\$9,229	\$9,393	\$9,393	\$8,608	\$8,522
	Legacy Plans						1525			
	Aetna PPO10	Aetna PPO15	Horizon DIR10	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
Rx Card										
Single	\$2,280	\$2,280	\$2,280	\$2,280	\$2,280	\$2,280	\$2,067	\$2,067	\$2,067	\$2,067
Employee+Spouse	\$4,559	\$4,559	\$4,559	\$4,559	\$4,559	\$4,559	\$4,135	\$4,135	\$4,135	\$4,135
Family	\$6,519	\$6,519	\$6,519	\$6,519	\$6,519	\$6,519	\$5,913	\$5,913	\$5,913	\$5,913
Employee+Child(ren)	\$4,240	\$4,240	\$4,240	\$4,240	\$4,240	\$4,240	\$3,845	\$3,845	\$3,845	\$3,845
Adult Child Rate	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$1,813	\$1,813	\$1,813	\$1,813
	Legacy Plans						1525			
	Aetna PPO10	Aetna PPO15	Horizon DIR10	Horizon DIR15	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO
Rx with Medical Coverage										
Single	\$13,253	\$12,617	\$13,253	\$12,617	\$12,817	\$12,711	\$12,192	\$12,192	\$11,880	\$11,782
Employee+Spouse	\$26,507	\$25,233	\$26,507	\$25,233	\$25,635	\$25,423	\$24,384	\$24,384	\$23,760	\$23,564
Family	\$37,905	\$36,084	\$37,905	\$36,084	\$36,658	\$36,354	\$34,869	\$34,869	\$33,977	\$33,696
Employee+Child(ren)	\$24,651	\$23,467	\$24,651	\$23,467	\$23,840	\$23,643	\$22,677	\$22,677	\$22,097	\$21,914
Adult Child Rate	\$11,626	\$11,067	\$11,626	\$11,067	\$11,243	\$11,150	\$10,695	\$10,695	\$10,421	\$10,335

Exhibit 4B – Plan Year 2019 Annual Active Premiums

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	2030				2035				HD 1500	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO
Medical Coverage Only										
Single	\$10,063	\$10,063	\$9,227	\$9,135	\$8,654	\$8,654	\$7,936	\$7,856	\$9,029	\$9,029
Employee+Spouse	\$20,126	\$20,126	\$18,455	\$18,270	\$17,309	\$17,309	\$15,871	\$15,712	\$18,058	\$18,058
Family	\$28,780	\$28,780	\$26,390	\$26,126	\$24,751	\$24,751	\$22,696	\$22,468	\$25,823	\$25,823
Employee+Child(ren)	\$18,717	\$18,717	\$17,163	\$16,991	\$16,097	\$16,097	\$14,760	\$14,612	\$16,794	\$16,794
Adult Child Rate	\$8,827	\$8,827	\$8,094	\$8,013	\$7,591	\$7,591	\$6,961	\$6,891	\$7,920	\$7,920
Rx Card										
Single	\$2,104	\$2,104	\$2,104	\$2,104	\$1,894	\$1,894	\$1,894	\$1,894	\$2,161	\$2,161
Employee+Spouse	\$4,208	\$4,208	\$4,208	\$4,208	\$3,787	\$3,787	\$3,787	\$3,787	\$4,322	\$4,322
Family	\$6,017	\$6,017	\$6,017	\$6,017	\$5,416	\$5,416	\$5,416	\$5,416	\$6,180	\$6,180
Employee+Child(ren)	\$3,913	\$3,913	\$3,913	\$3,913	\$3,522	\$3,522	\$3,522	\$3,522	\$4,019	\$4,019
Adult Child Rate	\$1,846	\$1,846	\$1,846	\$1,846	\$1,661	\$1,661	\$1,661	\$1,661	\$1,896	\$1,896
Rx with Medical Coverage										
Single	\$11,547	\$11,547	\$11,331	\$11,239	\$9,990	\$9,990	\$9,829	\$9,750	\$11,190	\$11,190
Employee+Spouse	\$23,095	\$23,095	\$22,663	\$22,478	\$19,981	\$19,981	\$19,658	\$19,499	\$22,380	\$22,380
Family	\$33,026	\$33,026	\$32,408	\$32,144	\$28,573	\$28,573	\$28,112	\$27,884	\$32,003	\$32,003
Employee+Child(ren)	\$21,478	\$21,478	\$21,076	\$20,905	\$18,582	\$18,582	\$18,282	\$18,134	\$20,813	\$20,813
Adult Child Rate	\$10,129	\$10,129	\$9,940	\$9,859	\$8,764	\$8,764	\$8,622	\$8,552	\$9,816	\$9,816

Exhibit 4C – Plan Year 2019 Monthly Retiree Premiums

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	Legacy Plans									
			Horizon DIR10			Horizon DIR15				
	Aetna PPO10	Aetna PPO15	Horizon Early Retiree Subscriber	Aetna Medicare Advantage Subscriber	Split Vendor PPO10 Cost	Horizon Early Retiree Subscriber	Aetna Medicare Advantage Subscriber	Split Vendor PPO15 Cost	Aetna HMO	Horizon HMO
Total Premium										
Single - 0 Medicare	\$1,340.07	\$1,272.23	\$1,340.07	N/A	\$1,340.07	\$1,272.23	N/A	\$1,272.23	\$1,230.86	\$1,220.69
Single - 1 Medicare	\$302.22	\$281.67	N/A	N/A	N/A	N/A	N/A	N/A	\$327.04	\$439.96
EE+Spouse - 0 Medicare	\$2,921.32	\$2,773.46	\$2,921.32	N/A	\$2,921.32	\$2,773.46	N/A	\$2,773.46	\$2,683.49	\$2,661.32
EE+Spouse - 1 Medicare	\$1,559.60	\$1,478.15	\$1,259.21	\$302.22	\$1,561.43	\$1,198.21	\$281.67	\$1,479.88	\$1,482.56	\$1,472.35
EE+Spouse - 2 Medicare	\$604.45	\$563.37	N/A	N/A	N/A	N/A	N/A	N/A	\$654.08	\$879.90
Family - 0 Medicare	\$3,323.34	\$3,155.13	\$3,323.34	N/A	\$3,323.34	\$3,155.13	N/A	\$3,155.13	\$3,052.57	\$3,027.33
Family - 1 Medicare	\$1,875.07	\$1,778.23	\$1,575.11	\$302.22	\$1,877.33	\$1,498.70	\$281.67	\$1,780.37	\$1,768.98	\$1,756.53
Family - 2 Medicare	\$772.91	\$722.78	N/A	N/A	N/A	N/A	N/A	N/A	\$807.42	\$1,086.40
EE+Ch - 0 Medicare	\$1,876.08	\$1,781.11	\$1,876.08	N/A	\$1,876.08	\$1,781.11	N/A	\$1,781.11	\$1,723.49	\$1,709.22
EE+Ch - 1 Medicare	\$475.86	\$446.00	N/A	N/A	N/A	N/A	N/A	N/A	\$479.59	\$645.20
Medical Premium										
Single - 0 Medicare	\$1,133.03	\$1,065.19	\$1,133.03	N/A	\$1,133.03	\$1,065.19	N/A	\$1,065.19	\$1,017.37	\$1,007.20
Single - 1 Medicare	\$92.03	\$71.48	N/A	N/A	N/A	N/A	N/A	N/A	\$114.00	\$226.92
EE+Spouse - 0 Medicare	\$2,469.99	\$2,322.13	\$2,469.99	N/A	\$2,469.99	\$2,322.13	N/A	\$2,322.13	\$2,217.85	\$2,195.68
EE+Spouse - 1 Medicare	\$1,106.06	\$1,024.61	\$1,015.86	\$92.03	\$1,107.89	\$954.86	\$71.48	\$1,026.34	\$1,019.50	\$1,009.29
EE+Spouse - 2 Medicare	\$184.05	\$142.97	N/A	N/A	N/A	N/A	N/A	N/A	\$228.00	\$453.82
Family - 0 Medicare	\$2,809.91	\$2,641.70	\$2,809.91	N/A	\$2,809.91	\$2,641.70	N/A	\$2,641.70	\$2,523.06	\$2,497.82
Family - 1 Medicare	\$1,362.75	\$1,265.91	\$1,272.98	\$92.03	\$1,365.01	\$1,196.57	\$71.48	\$1,268.05	\$1,245.39	\$1,232.94
Family - 2 Medicare	\$233.54	\$183.41	N/A	N/A	N/A	N/A	N/A	N/A	\$281.67	\$560.65
EE+Ch - 0 Medicare	\$1,586.23	\$1,491.26	\$1,586.23	N/A	\$1,586.23	\$1,491.26	N/A	\$1,491.26	\$1,424.33	\$1,410.06
EE+Ch - 1 Medicare	\$143.03	\$113.17	N/A	N/A	N/A	N/A	N/A	N/A	\$167.19	\$332.80
Rx Premium										
Single - 0 Medicare	\$207.04	\$207.04	\$207.04	N/A	\$207.04	\$207.04	N/A	\$207.04	\$213.49	\$213.49
Single - 1 Medicare	\$210.19	\$210.19	N/A	N/A	N/A	N/A	N/A	N/A	\$213.04	\$213.04
EE+Spouse - 0 Medicare	\$451.33	\$451.33	\$451.33	N/A	\$451.33	\$451.33	N/A	\$451.33	\$465.64	\$465.64
EE+Spouse - 1 Medicare	\$453.54	\$453.54	\$243.35	\$210.19	\$453.54	\$243.35	\$210.19	\$453.54	\$463.06	\$463.06
EE+Spouse - 2 Medicare	\$420.40	\$420.40	N/A	N/A	N/A	N/A	N/A	N/A	\$426.08	\$426.08
Family - 0 Medicare	\$513.43	\$513.43	\$513.43	N/A	\$513.43	\$513.43	N/A	\$513.43	\$529.51	\$529.51
Family - 1 Medicare	\$512.32	\$512.32	\$302.13	\$210.19	\$512.32	\$302.13	\$210.19	\$512.32	\$523.59	\$523.59
Family - 2 Medicare	\$539.37	\$539.37	N/A	N/A	N/A	N/A	N/A	N/A	\$525.75	\$525.75
EE+Ch - 0 Medicare	\$289.85	\$289.85	\$289.85	N/A	\$289.85	\$289.85	N/A	\$289.85	\$299.16	\$299.16
EE+Ch - 1 Medicare	\$332.83	\$332.83	N/A	N/A	N/A	N/A	N/A	N/A	\$312.40	\$312.40

Exhibit 4C – Plan Year 2019 Monthly Retiree Premiums

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	1525				2030				HD 4000	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO
Total Premium										
Single - 0 Medicare	\$1,226.83	\$1,226.83	\$1,131.15	\$1,121.95	\$1,173.46	\$1,173.46	\$1,080.86	\$1,072.16	\$779.49	\$779.49
Single - 1 Medicare	N/A	\$375.96	\$291.95	\$396.90	N/A	\$367.54	N/A	\$387.64	N/A	N/A
EE+Spouse - 0 Medicare	\$2,674.48	\$2,674.48	\$2,465.90	\$2,445.83	\$2,558.22	\$2,558.22	\$2,356.29	\$2,337.35	\$1,699.28	\$1,699.28
EE+Spouse - 1 Medicare	N/A	\$1,404.83	\$1,357.44	\$1,348.45	N/A	\$1,355.80	N/A	\$1,301.43	N/A	N/A
EE+Spouse - 2 Medicare	N/A	\$751.93	\$583.91	\$793.72	N/A	\$735.09	N/A	\$775.24	N/A	N/A
Family - 0 Medicare	\$3,042.52	\$3,042.52	\$2,805.24	\$2,782.39	\$2,910.26	\$2,910.26	\$2,680.56	\$2,659.01	\$1,933.13	\$1,933.13
Family - 1 Medicare	N/A	\$1,691.97	\$1,621.58	\$1,610.55	N/A	\$1,631.06	N/A	\$1,552.59	N/A	N/A
Family - 2 Medicare	N/A	\$964.72	\$731.20	\$976.64	N/A	\$943.09	N/A	\$953.78	N/A	N/A
EE+Ch - 0 Medicare	\$1,717.52	\$1,717.52	\$1,583.63	\$1,570.73	\$1,642.89	\$1,642.89	\$1,513.22	\$1,501.05	\$1,091.28	\$1,091.28
EE+Ch - 1 Medicare	N/A	\$595.28	\$440.25	\$577.16	N/A	\$581.91	N/A	\$563.60	N/A	N/A
Medical Premium										
Single - 0 Medicare	\$1,026.19	\$1,026.19	\$921.48	\$912.28	\$970.93	\$970.93	\$869.21	\$860.51	\$632.02	\$632.02
Single - 1 Medicare	N/A	\$172.27	\$79.00	\$183.95	N/A	\$161.91	N/A	\$172.66	N/A	N/A
EE+Spouse - 0 Medicare	\$2,237.10	\$2,237.10	\$2,008.83	\$1,988.76	\$2,116.69	\$2,116.69	\$1,894.88	\$1,875.94	\$1,377.80	\$1,377.80
EE+Spouse - 1 Medicare	N/A	\$965.31	\$898.03	\$889.04	N/A	\$912.10	N/A	\$837.65	N/A	N/A
EE+Spouse - 2 Medicare	N/A	\$344.54	\$158.00	\$367.81	N/A	\$323.82	N/A	\$345.28	N/A	N/A
Family - 0 Medicare	\$2,544.97	\$2,544.97	\$2,285.29	\$2,262.44	\$2,407.96	\$2,407.96	\$2,155.64	\$2,134.09	\$1,567.41	\$1,567.41
Family - 1 Medicare	N/A	\$1,195.47	\$1,102.62	\$1,091.59	N/A	\$1,129.85	N/A	\$1,028.70	N/A	N/A
Family - 2 Medicare	N/A	\$442.04	\$184.77	\$430.21	N/A	\$415.44	N/A	\$402.14	N/A	N/A
EE+Ch - 0 Medicare	\$1,436.64	\$1,436.64	\$1,290.09	\$1,277.19	\$1,359.33	\$1,359.33	\$1,216.89	\$1,204.72	\$884.83	\$884.83
EE+Ch - 1 Medicare	N/A	\$272.75	\$103.07	\$239.98	N/A	\$256.33	N/A	\$223.21	N/A	N/A
Rx Premium										
Single - 0 Medicare	\$200.64	\$200.64	\$209.67	\$209.67	\$202.53	\$202.53	\$211.65	\$211.65	\$147.47	\$147.47
Single - 1 Medicare	N/A	\$203.69	\$212.95	\$212.95	N/A	\$205.63	N/A	\$214.98	N/A	N/A
EE+Spouse - 0 Medicare	\$437.38	\$437.38	\$457.07	\$457.07	\$441.53	\$441.53	\$461.41	\$461.41	\$321.48	\$321.48
EE+Spouse - 1 Medicare	N/A	\$439.52	\$459.41	\$459.41	N/A	\$443.70	N/A	\$463.78	N/A	N/A
EE+Spouse - 2 Medicare	N/A	\$407.39	\$425.91	\$425.91	N/A	\$411.27	N/A	\$429.96	N/A	N/A
Family - 0 Medicare	\$497.55	\$497.55	\$519.95	\$519.95	\$502.30	\$502.30	\$524.92	\$524.92	\$365.72	\$365.72
Family - 1 Medicare	N/A	\$496.50	\$518.96	\$518.96	N/A	\$501.21	N/A	\$523.89	N/A	N/A
Family - 2 Medicare	N/A	\$522.68	\$546.43	\$546.43	N/A	\$527.65	N/A	\$551.64	N/A	N/A
EE+Ch - 0 Medicare	\$280.88	\$280.88	\$293.54	\$293.54	\$283.56	\$283.56	\$296.33	\$296.33	\$206.45	\$206.45
EE+Ch - 1 Medicare	N/A	\$322.53	\$337.18	\$337.18	N/A	\$325.58	N/A	\$340.39	N/A	N/A

Exhibit 4D – Plan Year 2019 Annual Retiree Premiums

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	Legacy Plans									
	Horizon DIR10					Horizon DIR15				
	Aetna PPO10	Aetna PPO15	Horizon Early Retiree Subscriber	Aetna Medicare Advantage Subscriber	Split Vendor PPO10 Cost	Horizon Early Retiree Subscriber	Aetna Medicare Advantage Subscriber	Split Vendor PPO15 Cost	Aetna HMO	Horizon HMO
Total Premium										
Single - 0 Medicare	\$16,081	\$15,267	\$16,081	N/A	\$16,081	\$15,267	N/A	\$15,267	\$14,770	\$14,648
Single - 1 Medicare	\$3,627	\$3,380	N/A	N/A	N/A	N/A	N/A	N/A	\$3,924	\$5,280
EE+Spouse - 0 Medicare	\$35,056	\$33,282	\$35,056	N/A	\$35,056	\$33,282	N/A	\$33,282	\$32,202	\$31,936
EE+Spouse - 1 Medicare	\$18,715	\$17,738	\$15,111	\$3,627	\$18,737	\$14,379	\$3,380	\$17,759	\$17,791	\$17,668
EE+Spouse - 2 Medicare	\$7,253	\$6,760	N/A	N/A	N/A	N/A	N/A	N/A	\$7,849	\$10,559
Family - 0 Medicare	\$39,880	\$37,862	\$39,880	N/A	\$39,880	\$37,862	N/A	\$37,862	\$36,631	\$36,328
Family - 1 Medicare	\$22,501	\$21,339	\$18,901	\$3,627	\$22,528	\$17,984	\$3,380	\$21,364	\$21,228	\$21,078
Family - 2 Medicare	\$9,275	\$8,673	N/A	N/A	N/A	N/A	N/A	N/A	\$9,689	\$13,037
EE+Ch - 0 Medicare	\$22,513	\$21,373	\$22,513	N/A	\$22,513	\$21,373	N/A	\$21,373	\$20,682	\$20,511
EE+Ch - 1 Medicare	\$5,710	\$5,352	N/A	N/A	N/A	N/A	N/A	N/A	\$5,755	\$7,742
Medical Premium										
Single - 0 Medicare	\$13,596	\$12,782	\$13,596	N/A	\$13,596	\$12,782	N/A	\$12,782	\$12,208	\$12,086
Single - 1 Medicare	\$1,104	\$858	N/A	N/A	N/A	N/A	N/A	N/A	\$1,368	\$2,723
EE+Spouse - 0 Medicare	\$29,640	\$27,866	\$29,640	N/A	\$29,640	\$27,866	N/A	\$27,866	\$26,614	\$26,348
EE+Spouse - 1 Medicare	\$13,273	\$12,295	\$12,190	\$1,104	\$13,295	\$11,458	\$858	\$12,316	\$12,234	\$12,111
EE+Spouse - 2 Medicare	\$2,209	\$1,716	N/A	N/A	N/A	N/A	N/A	N/A	\$2,736	\$5,446
Family - 0 Medicare	\$33,719	\$31,700	\$33,719	N/A	\$33,719	\$31,700	N/A	\$31,700	\$30,277	\$29,974
Family - 1 Medicare	\$16,353	\$15,191	\$15,276	\$1,104	\$16,380	\$14,359	\$858	\$15,217	\$14,945	\$14,795
Family - 2 Medicare	\$2,802	\$2,201	N/A	N/A	N/A	N/A	N/A	N/A	\$3,380	\$6,728
EE+Ch - 0 Medicare	\$19,035	\$17,895	\$19,035	N/A	\$19,035	\$17,895	N/A	\$17,895	\$17,092	\$16,921
EE+Ch - 1 Medicare	\$1,716	\$1,358	N/A	N/A	N/A	N/A	N/A	N/A	\$2,006	\$3,994
Rx Premium										
Single - 0 Medicare	\$2,484	\$2,484	\$2,484	N/A	\$2,484	\$2,484	N/A	\$2,484	\$2,562	\$2,562
Single - 1 Medicare	\$2,522	\$2,522	N/A	N/A	N/A	N/A	N/A	N/A	\$2,556	\$2,556
EE+Spouse - 0 Medicare	\$5,416	\$5,416	\$5,416	N/A	\$5,416	\$5,416	N/A	\$5,416	\$5,588	\$5,588
EE+Spouse - 1 Medicare	\$5,442	\$5,442	\$2,920	\$2,522	\$5,442	\$2,920	\$2,522	\$5,442	\$5,557	\$5,557
EE+Spouse - 2 Medicare	\$5,045	\$5,045	N/A	N/A	N/A	N/A	N/A	N/A	\$5,113	\$5,113
Family - 0 Medicare	\$6,161	\$6,161	\$6,161	N/A	\$6,161	\$6,161	N/A	\$6,161	\$6,354	\$6,354
Family - 1 Medicare	\$6,148	\$6,148	\$3,626	\$2,522	\$6,148	\$3,626	\$2,522	\$6,148	\$6,283	\$6,283
Family - 2 Medicare	\$6,472	\$6,472	N/A	N/A	N/A	N/A	N/A	N/A	\$6,309	\$6,309
EE+Ch - 0 Medicare	\$3,478	\$3,478	\$3,478	N/A	\$3,478	\$3,478	N/A	\$3,478	\$3,590	\$3,590
EE+Ch - 1 Medicare	\$3,994	\$3,994	N/A	N/A	N/A	N/A	N/A	N/A	\$3,749	\$3,749

Exhibit 4D – Plan Year 2019 Annual Retiree Premiums

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	1525				2030				HD 4000	
	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO	Aetna HMO	Horizon HMO	Aetna PPO	Horizon PPO
Total Premium										
Single - 0 Medicare	\$14,722	\$14,722	\$13,574	\$13,463	\$14,082	\$14,082	\$12,970	\$12,866	\$9,354	\$9,354
Single - 1 Medicare	N/A	\$4,512	\$3,503	\$4,763	N/A	\$4,410	N/A	\$4,652	N/A	N/A
EE+Spouse - 0 Medicare	\$32,094	\$32,094	\$29,591	\$29,350	\$30,699	\$30,699	\$28,275	\$28,048	\$20,391	\$20,391
EE+Spouse - 1 Medicare	N/A	\$16,858	\$16,289	\$16,181	N/A	\$16,270	N/A	\$15,617	N/A	N/A
EE+Spouse - 2 Medicare	N/A	\$9,023	\$7,007	\$9,525	N/A	\$8,821	N/A	\$9,303	N/A	N/A
Family - 0 Medicare	\$36,510	\$36,510	\$33,663	\$33,389	\$34,923	\$34,923	\$32,167	\$31,908	\$23,198	\$23,198
Family - 1 Medicare	N/A	\$20,304	\$19,459	\$19,327	N/A	\$19,573	N/A	\$18,631	N/A	N/A
Family - 2 Medicare	N/A	\$11,577	\$8,774	\$11,720	N/A	\$11,317	N/A	\$11,445	N/A	N/A
EE+Ch - 0 Medicare	\$20,610	\$20,610	\$19,004	\$18,849	\$19,715	\$19,715	\$18,159	\$18,013	\$13,095	\$13,095
EE+Ch - 1 Medicare	N/A	\$7,143	\$5,283	\$6,926	N/A	\$6,983	N/A	\$6,763	N/A	N/A
Medical Premium										
Single - 0 Medicare	\$12,314	\$12,314	\$11,058	\$10,947	\$11,651	\$11,651	\$10,431	\$10,326	\$7,584	\$7,584
Single - 1 Medicare	N/A	\$2,067	\$948	\$2,207	N/A	\$1,943	N/A	\$2,072	N/A	N/A
EE+Spouse - 0 Medicare	\$26,845	\$26,845	\$24,106	\$23,865	\$25,400	\$25,400	\$22,739	\$22,511	\$16,534	\$16,534
EE+Spouse - 1 Medicare	N/A	\$11,584	\$10,776	\$10,668	N/A	\$10,945	N/A	\$10,052	N/A	N/A
EE+Spouse - 2 Medicare	N/A	\$4,134	\$1,896	\$4,414	N/A	\$3,886	N/A	\$4,143	N/A	N/A
Family - 0 Medicare	\$30,540	\$30,540	\$27,423	\$27,149	\$28,896	\$28,896	\$25,868	\$25,609	\$18,809	\$18,809
Family - 1 Medicare	N/A	\$14,346	\$13,231	\$13,099	N/A	\$13,558	N/A	\$12,344	N/A	N/A
Family - 2 Medicare	N/A	\$5,304	\$2,217	\$5,163	N/A	\$4,985	N/A	\$4,826	N/A	N/A
EE+Ch - 0 Medicare	\$17,240	\$17,240	\$15,481	\$15,326	\$16,312	\$16,312	\$14,603	\$14,457	\$10,618	\$10,618
EE+Ch - 1 Medicare	N/A	\$3,273	\$1,237	\$2,880	N/A	\$3,076	N/A	\$2,679	N/A	N/A
Rx Premium										
Single - 0 Medicare	\$2,408	\$2,408	\$2,516	\$2,516	\$2,430	\$2,430	\$2,540	\$2,540	\$1,770	\$1,770
Single - 1 Medicare	N/A	\$2,444	\$2,555	\$2,555	N/A	\$2,468	N/A	\$2,580	N/A	N/A
EE+Spouse - 0 Medicare	\$5,249	\$5,249	\$5,485	\$5,485	\$5,298	\$5,298	\$5,537	\$5,537	\$3,858	\$3,858
EE+Spouse - 1 Medicare	N/A	\$5,274	\$5,513	\$5,513	N/A	\$5,324	N/A	\$5,565	N/A	N/A
EE+Spouse - 2 Medicare	N/A	\$4,889	\$5,111	\$5,111	N/A	\$4,935	N/A	\$5,160	N/A	N/A
Family - 0 Medicare	\$5,971	\$5,971	\$6,239	\$6,239	\$6,028	\$6,028	\$6,299	\$6,299	\$4,389	\$4,389
Family - 1 Medicare	N/A	\$5,958	\$6,228	\$6,228	N/A	\$6,015	N/A	\$6,287	N/A	N/A
Family - 2 Medicare	N/A	\$6,272	\$6,557	\$6,557	N/A	\$6,332	N/A	\$6,620	N/A	N/A
EE+Ch - 0 Medicare	\$3,371	\$3,371	\$3,522	\$3,522	\$3,403	\$3,403	\$3,556	\$3,556	\$2,477	\$2,477
EE+Ch - 1 Medicare	N/A	\$3,870	\$4,046	\$4,046	N/A	\$3,907	N/A	\$4,085	N/A	N/A

Exhibit 5A – Plan Year 2019 Employee Plan Option Summary

	Education Actives									
	\$10 PPO	\$15 PPO	\$10 HMO	1525PPO	1525HMO	2030PPO	2030HMO	2035PPO	2035HMO	HDHP 1500
In-Network										
Deductible (Single/Family) ¹	None	None	None	None	None	None	None	\$200/\$500 for non-copayment services	\$200/\$500 for non-copayment services	\$1,500/\$3,000
Coinsurance OOP Maximum (Single/ Family)	None	\$400/\$1,000	None	\$400/\$1,000	None	\$800/\$2,000	None	\$2,000/\$5,000	\$2,000/\$5,000	None
Total In-Network OOP Maximum (Single/Family) ¹	\$400/\$1,000	\$6,320/\$12,640	\$6,320/\$12,640	\$6,320/\$12,640	\$6,320/\$12,640	\$6,320/\$12,640	\$6,320/\$12,640	\$6,320/\$12,640	\$6,320/\$12,640	\$2,500/\$5,000
Overall Coinsurance	None	None	None	None	None	None	None	None	None	20%
PCP	\$10 copay	\$15 copay	\$10 copay	\$15 copay	\$15 copay	\$20 copay	\$20 copay	\$20 copay	\$20 copay	20% coinsurance after deductible
Specialist	\$10 copay	\$15 copay	\$10 copay	\$25 copay	\$25 copay	\$30 copay/ \$20 copay (child)	\$30 copay/ \$20 copay (child)	\$35 copay	\$35 copay	20% coinsurance after deductible
Emergency Room	\$25 copay	\$50 copay	\$35 copay	\$75 copay	\$75 copay	\$125 copay	\$125 copay	\$300 copay	\$300 copay	20% coinsurance after deductible
Inpatient Hospital	No charge	No charge	No charge	No charge	No charge	No charge	No charge	20% coinsurance after deductible	20% coinsurance after deductible	20% coinsurance after deductible
Out-of-Network										
Deductible (Single/Family)	\$100/\$250	\$100/\$250	Not covered	\$100/\$250	Not covered	\$200/\$500	Not covered	\$800/\$2,000	Not covered	Combined with In-Network Deductible
Total Out-of-Network OOP Maximum (Single/Family)	\$2,000/\$5,000	\$2,000/\$5,000	Not covered	\$2,000/\$5,000	Not covered	\$5,000/\$12,500	Not covered	\$6,500/\$13,000	Not covered	\$3,500/\$7,000
Overall Coinsurance	20%	30%	Not covered	30%	Not covered	30%	Not covered	40%	Not covered	40%
Prescription Drug										
OOP Maximum (Single/Family)	\$1,580/\$3,160	\$1,580/\$3,160	\$1,580/\$3,160	\$1,580/\$3,160	\$1,580/\$3,160	\$1,580/\$3,160	\$1,580/\$3,160	\$1,580/\$3,160	\$1,580/\$3,160	Subject to Deductible and Coinsurance
Retail - Generic	\$3	\$3	\$3	\$7	\$7	\$3	\$3	\$7	\$7	
Retail - Preferred Brand	\$10	\$10	\$10	\$16	\$16	\$18	\$18	\$21	\$21	
Retail - Non-Preferred Brand	\$10	\$10	\$10	\$35	\$35	\$46	\$46	Member pays the difference	Member pays the difference	
Mail - Generic	\$5	\$5	\$5	\$18	\$18	\$6	\$6	\$18	\$18	
Mail - Preferred Brand	\$15	\$15	\$15	\$40	\$40	\$36	\$36	\$52	\$52	
Mail - Non-Preferred Brand	\$15	\$15	\$15	\$88	\$88	\$92	\$92	Member pays the difference	Member pays the difference	

¹ For all HDHP plans the in-network and out-of-network OOP Maximum and the in-network Deductible for Medical and Prescription Drug are integrated.

Exhibit 5B – Plan Year 2019 Early Retiree Plan Option Summary

	Education Early Retirees							
	\$10 PPO	\$15 PPO	\$10 HMO	1525PPO	1525HMO	2030PPO	2030HMO	HDHP 4000
In-Network								
Deductible (Single/Family) ¹	None	None	None	None	None	None	None	\$4,000/\$8,000
Coinsurance OOP Maximum (Single/ Family)	None	\$400/\$1,000	None	\$400/\$1,000	None	\$800/\$2,000	None	None
Total In-Network OOP Maximum (Single/Family) ¹	\$400/\$1,000	\$6,489/\$12,978	\$6,489/\$12,978	\$6,489/\$12,978	\$6,489/\$12,978	\$6,489/\$12,978	\$6,489/\$12,978	\$5,000/\$10,000
Overall Coinsurance	None	None	None	None	None	None	None	20%
PCP	\$10 copay	\$15 copay	\$10 copay	\$15 copay	\$15 copay	\$20 copay	\$20 copay	20% coinsurance after deductible
Specialist	\$10 copay	\$15 copay	\$10 copay	\$25 copay	\$25 copay	\$30 copay/ \$20 copay (child)	\$30 copay/ \$20 copay (child)	20% coinsurance after deductible
Emergency Room	\$25 copay	\$50 copay	\$35 copay	\$75 copay	\$75 copay	\$125 copay	\$125 copay	20% coinsurance after deductible
Inpatient Hospital	No charge	No charge	No charge	No charge	No charge	No charge	No charge	20% coinsurance after deductible
Out-of-Network								
Deductible (Single/Family)	\$100/\$250	\$100/\$250	Not covered	\$100/\$250	Not covered	\$200/\$500	Not covered	Combined with In-Network Deductible
Total Out-of-Network OOP Maximum (Single/Family)	\$2,000/\$5,000	\$2,000/\$5,000	Not covered	\$2,000/\$5,000	Not covered	\$5,000/\$12,500	Not covered	\$6,000/\$12,000
Overall Coinsurance	20%	30%	Not covered	30%	Not covered	30%	Not covered	40%
Prescription Drug								
OOP Maximum (Single/Family)	\$1,411/\$2,822	\$1,411/\$2,822	\$1,411/\$2,822	\$1,411/\$2,822	\$1,411/\$2,822	\$1,411/\$2,822	\$1,411/\$2,822	Subject to Deductible and Coinsurance
Retail - Generic	\$10	\$10	\$6	\$7	\$7	\$3	\$3	
Retail - Preferred Brand	\$21	\$21	\$13	\$17	\$17	\$19	\$19	
Retail - Non-Preferred Brand	\$42	\$42	\$26	\$36	\$36	\$48	\$48	
Mail - Generic	\$5	\$5	\$5	\$5	\$5	\$5	\$5	
Mail - Preferred Brand	\$31	\$31	\$19	\$41	\$41	\$37	\$37	
Mail - Non-Preferred Brand	\$52	\$52	\$31	\$91	\$91	\$95	\$95	

¹ For all HDHP plans the in-network and out-of-network OOP Maximum and the in-network Deductible for Medical and Prescription Drug are integrated.

Exhibit 5C – Plan Year 2019 Medicare Retiree Plan Option Summary

	Education Medicare Advantage³				Education Medicare Supplement				
	\$10 PPO	\$15 PPO	\$10 HMO	1525HMO	\$10 HMO	1525PPO	1525HMO	2030PPO	2030HMO
In-Network									
Deductible (Single/Family)	None	None	None	None	None	None	None	None	None
Coinsurance OOP Maximum (Single/ Family) ¹	None	None	None	None	None	\$400/\$1,000	None	\$800/\$2,000	None
Total In-Network OOP Maximum (Single/Family)	\$400 per person	\$1,000 per person	\$2,500 per person	\$2,500 per person	\$6,489/\$12,978	\$6,489/\$12,978	\$6,489/\$12,978	\$6,489/\$12,978	\$6,489/\$12,978
Overall Coinsurance	None	None	None	None	None	None	None	None	None
PCP ²	\$10 copay	\$15 copay	\$10 copay	\$15 copay	\$10 copay	\$15 copay	\$15 copay	\$20 copay	\$20 copay
Specialist	\$10 copay	\$15 copay	\$10 copay	\$25 copay	\$10 copay	\$25 copay	\$25 copay	\$30 copay/ \$20 copay (child)	\$30 copay/ \$20 copay (child)
Emergency Room	\$25 copay	\$50 copay	\$35 copay	\$65 copay	\$35 copay	\$75 copay	\$75 copay	\$125 copay	\$125 copay
Inpatient Hospital	No charge	No charge	No charge	No charge	No charge	No charge	No charge	No charge	No charge
Out-of-Network									
Deductible (Single/Family)	None	None	Not Covered	Not Covered	Not covered	\$100/\$250	Not covered	\$200/\$500	Not covered
Total Out-of-Network OOP Maximum (Single/Family)	\$1,000 per person; Combined with IN OOP	\$1,000 per person; Combined with IN OOP	Not Covered	Not Covered	Not covered	\$2,000/\$5,000	Not covered	\$5,000/\$12,500	Not covered
Overall Coinsurance	None	None	Not Covered	Not Covered	Not covered	30%	Not covered	30%	Not covered
Prescription Drug									
OOP Maximum (Single/Family)	\$1,411/\$2,822	\$1,411/\$2,822	\$1,411/\$2,822	\$1,411/\$2,822	\$1,411/\$2,822	\$1,411/\$2,822	\$1,411/\$2,822	\$1,411/\$2,822	\$1,411/\$2,822
Retail - Generic	\$10	\$10	\$6	\$7	\$6	\$7	\$7	\$3	\$3
Retail - Preferred Brand	\$21	\$21	\$13	\$17	\$13	\$17	\$17	\$19	\$19
Retail - Non-Preferred Brand	\$42	\$42	\$26	\$36	\$26	\$36	\$36	\$48	\$48
Mail - Generic	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5	\$5
Mail - Preferred Brand	\$31	\$31	\$19	\$41	\$19	\$41	\$41	\$37	\$37
Mail - Non-Preferred Brand	\$52	\$52	\$31	\$91	\$31	\$91	\$91	\$95	\$95

¹ Coinsurance OOP Maximum applies on the Horizon \$15 PPO for IN outpatient private duty nursing, IN or OON ambulance, DME and some prosthetic and orthotic services

²Physician visits for Medicare Advantage Plan Options will be reimbursed up to \$250 each visit

³Medicare Advantage plans do not have In-Network and Out-of-Network differentiation. Medicare Advantage plans provide coverage at the same benefit level regardless of network status for visits to any provider that accepts Medicare.

State of New Jersey

School Employees' Health Benefits Program

Addendum

September 2018

NJ Direct 0 / Freedom 0 Option

On September 17, 2018 the SEHBP Plan Design Committee approved the implementation of new plan options for the Active and Early Retiree populations effective 1/1/19, as outlined below. To the extent not otherwise specified, all plan design elements of the new NJ Direct 0 / Freedom 0 Plans will remain the same as the current NJ Direct 10 / Freedom 10 Active and Early Retiree Plans. These changes will apply to both the Active and Early Retiree populations offered the new plan option.

The NJ Direct 0 / Freedom 0 will be offered by both Horizon and Aetna effective for Plan Year 2019. The plan design is specified in Exhibit 7. The NJ Direct 0 / Freedom 0 Plan product will be offered to the Actives and Early Retirees in addition to the PPO10, PPO15, HMO10, PPO1525, HMO1525, PPO2030, HMO2030, PPO2035 (available for Actives only), HMO2035 (available for Actives only), and HDHP1500 (available for Actives only) and HDHP4000 (available for Early Retirees only).

The following plan design components are applicable to only the NJ Direct 0 / Freedom 0 plans:

- **Out of Network Cost Basis:** The Out-of-Network Cost Basis is 200% of CMS.
- **Eliminate Primary Care and Specialist Copays:** The primary care physician and specialist copays will decrease to \$0 per visit.
- **Increase Emergency Room Copays:** The emergency room copay will increase to \$50 per visit. This change does not apply to physician referrals to the emergency room or to pediatric (under age 19) visits to the emergency room. The copays will be waived if the member is admitted to the emergency room.
- **Limit Chiropractic and Acupuncture Therapies from Out-of-Network Coverage:** The SEHBP will reduce plan payments for out-of-network chiropractic and acupuncture services for Plan Year 2019. For these out-of-network services, the SEHBP will pay no more than \$35 a visit for chiropractic and \$60 a visit for acupuncture or 75% of the in-network cost per visit, whichever is less. Horizon and Aetna will implement changes to the in-network rates to increase the network of chiropractic and acupuncture providers for members.
- **Physical Therapy Out-of-Network (OON) Reimbursement Change:** The new plan option will limit plan payments for out-of-network physical therapy services to the average of the in-network rate for physical therapy services.
- **Implement Mandatory Generic:** Going forward, for all non-preferred drugs (brand drugs with generic equivalents available), the SEHBP plan will pay for the cost of the generic equivalent. Members who choose to fill the prescription for the brand name drug will be responsible for the difference. The Plan will provide the same prescription drug benefit as the one provided in the PPO10 product except for implementation of Mandatory Generics. The renewal projections will assume that Active and Early Retiree prescription drug out-of-pocket maximums will be \$1,580/\$3,160.
- **Implement Closed Formulary:** The new plan option prescription drug plan will move to Optum's Closed Formulary, which directs prescriptions to more cost-effective, clinically-equivalent medications. Optum evaluates clinically identical drugs and places the most cost-effective medications on the formulary.

- **NJWELL Incentive Increase:** Effective January 1, 2019, the NJWELL gift card incentive for eligible SEHBP Active and Early Retiree populations that enroll in the new NJ DIRECT 0 / Freedom 0 Plan outlined in Exhibit 7 will increase to a benefit of \$500 per subscriber.

NJ Direct 0 / Freedom 0 Option Premium Rates

Unless otherwise specified, all assumptions are based on those specified in the Plan Year 2018 Rate Renewal Recommendation Report for the State Education Group.

Premium assumptions for the NJ Direct 0 and Freedom 0 plan options are based on the theoretical differences in actuarial value between the PPO15 plan and the NJ Direct 0 and Freedom 0 plan options using Aon's proprietary actuarial value model along with information provided by Horizon and Optum.

Prescription drug premiums are for Local Education Active employees electing Rx copay plan coverage with the SEHBP. No change to MMRx premium rates are assumed for Plan Year 2019 for Local Education Active employees electing the Proposed Plan.

Exhibit 6A – Plan Year 2019 Monthly Active Premium NJ Direct 0 / Freedom 0

	\$0 Copay Plan	
	Aetna FREEDOM 0	Horizon DIRECT 0
<u>Medical Coverage Only</u>		
Single	\$773.33	\$773.33
Employee+Spouse	\$1,546.67	\$1,546.67
Family	\$2,211.65	\$2,211.65
Employee+Child(ren)	\$1,438.32	\$1,438.32
Adult Child Rate	\$678.29	\$678.29
	\$0 Copay Plan	
	Aetna FREEDOM 0	Horizon DIRECT 0
<u>Rx Card</u>		
Single	\$173.33	\$173.33
Employee+Spouse	\$346.67	\$346.67
Family	\$495.82	\$495.82
Employee+Child(ren)	\$322.49	\$322.49
Adult Child Rate	\$152.14	\$152.14

Exhibit 6B – Plan Year 2019 Annual Active Premium NJ Direct 0 / Freedom 0

	\$0 Copay Plan	
	Aetna FREEDOM 0	Horizon DIRECT 0
<u>Medical Coverage Only</u>		
Single	\$9,280	\$9,280
Employee+Spouse	\$18,560	\$18,560
Family	\$26,540	\$26,540
Employee+Child(ren)	\$17,260	\$17,260
Adult Child Rate	\$8,139	\$8,139
	\$0 Copay Plan	
	Aetna FREEDOM 0	Horizon DIRECT 0
<u>Rx Card</u>		
Single	\$2,080	\$2,080
Employee+Spouse	\$4,160	\$4,160
Family	\$5,950	\$5,950
Employee+Child(ren)	\$3,870	\$3,870
Adult Child Rate	\$1,826	\$1,826

Exhibit 6C – Plan Year 2019 Monthly Retiree Premium NJ Direct 0 / Freedom 0

	\$0 Copay Plan	
	Aetna FREEDOM 0	Horizon DIRECT 0
Total Premium		
Single - 0 Medicare	\$1,085.00	\$1,085.00
EE+Spouse - 0 Medicare	\$2,365.29	\$2,365.29
Family - 0 Medicare	\$2,690.78	\$2,690.78
EE+Ch - 0 Medicare	\$1,518.96	\$1,518.96
Medical Premium		
Single - 0 Medicare	\$895.83	\$895.83
EE+Spouse - 0 Medicare	\$1,952.91	\$1,952.91
Family - 0 Medicare	\$2,221.67	\$2,221.67
EE+Ch - 0 Medicare	\$1,254.14	\$1,254.14
Rx Premium		
Single - 0 Medicare	\$189.17	\$189.17
EE+Spouse - 0 Medicare	\$412.38	\$412.38
Family - 0 Medicare	\$469.11	\$469.11
EE+Ch - 0 Medicare	\$264.82	\$264.82

Exhibit 6D – Plan Year 2019 Annual Retiree Premium NJ Direct 0 / Freedom 0

	\$0 Copay Plan	
	Aetna FREEDOM 0	Horizon DIRECT 0
Total Premium		
Single - 0 Medicare	\$13,020	\$13,020
EE+Spouse - 0 Medicare	\$28,383	\$28,383
Family - 0 Medicare	\$32,289	\$32,289
EE+Ch - 0 Medicare	\$18,228	\$18,228
Medical Premium		
Single - 0 Medicare	\$10,750	\$10,750
EE+Spouse - 0 Medicare	\$23,435	\$23,435
Family - 0 Medicare	\$26,660	\$26,660
EE+Ch - 0 Medicare	\$15,050	\$15,050
Rx Premium		
Single - 0 Medicare	\$2,270	\$2,270
EE+Spouse - 0 Medicare	\$4,949	\$4,949
Family - 0 Medicare	\$5,629	\$5,629
EE+Ch - 0 Medicare	\$3,178	\$3,178

Exhibit 7A - Plan Year 2019 Employee Plan Option Summary

\$0 PPO	
In-Network	
Deductible (Single/Family) ¹	None
Coinsurance OOP Maximum (Single/ Family)	None
Total In-Network OOP Maximum (Single/Family) ¹	\$400/\$1,000
Overall Coinsurance	None
PCP	\$0 copay
Specialist	\$0 copay
Emergency Room	\$50 copay
Inpatient Hospital	No charge
Out-of-Network	
Deductible (Single/Family)	\$100/\$250
Total Out-of-Network OOP Maximum (Single/Family)	\$2,000/\$5,000
Overall Coinsurance	20%
Prescription Drug	
OOP Maximum (Single/Family)	\$1,580/\$3,160
Retail - Generic	\$3
Retail - Preferred Brand	\$10
Retail - Non-Preferred Brand	Member pays the difference
Mail - Generic	\$5
Mail - Preferred Brand	\$15
Mail - Non-Preferred Brand	Member pays the difference

Exhibit 7B – Plan Year 2019 Early Retiree Plan Option Summary

	\$0 PPO
In-Network	
Deductible (Single/Family) ¹	None
Coinsurance OOP Maximum (Single/ Family)	None
Total In-Network OOP Maximum (Single/Family) ¹	\$400/\$1,000
Overall Coinsurance	None
PCP	\$0 copay
Specialist	\$0 copay
Emergency Room	\$50 copay
Inpatient Hospital	No charge
Out-of-Network	
Deductible (Single/Family)	\$100/\$250
Total Out-of-Network OOP Maximum (Single/Family)	\$2,000/\$5,000
Overall Coinsurance	20%
Prescription Drug	
OOP Maximum (Single/Family)	\$1,411/\$2,822
Retail - Generic	\$10
Retail - Preferred Brand	\$21
Retail - Non-Preferred Brand	Member pays the difference
Mail - Generic	\$5
Mail - Preferred Brand	\$31
Mail - Non-Preferred Brand	Member pays the difference

About Aon

Aon plc (NYSE: AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

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